

Mission

We are a major integrated energy company, committed to growth in the activities of finding, producing, transporting, transforming and marketing oil and gas. Eni men and women have a passion for challenges, continuous improvement, excellence and particularly value people, the environment and integrity.

Countries of activity

EUROPE

Austria, Belgium, Cyprus, Croatia, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Luxembourg, Malta, the Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey, the United Kingdom, Ukraine

AFRICA

Algeria, Angola, Camerun, Congo, Democratic Republic of Congo, Egypt, Equatorial Guinea, French Guinea, Gabon, Ghana, Kenya, Liberia, Libya, Mali, Mauritania, Morocco, Mozambique, Nigeria, South-Africa, Togo, Tunisia

ASIA AND OCEANIA

Australia, Azerbaijan, China, India, Indonesia, Iran, Iraq, Japan, Kazakhstan, Kuwait, Malaysia, Myanmar, Oman, Pakistan, Papua-New Guinea, Philippines, Qatar, Russia, Saudi Arabia, Singapore, Siria, South Korea, Taiwan, Thailand, Timor Leste, Turkmenistan, the United Arab Emirates, Vietnam, Yemen

AMERICAS

Argentina, Bolivia, Brazil, Canada, Colombia, Ecuador, Mexico, Peru, Suriname, Trinidad & Tobago, the United States, Venezuela



Corporate Governance and Shareholding Structure Report
2012¹

Approved by the Board of Directors on March 14, 2013

(1) The Report is published in the "Governance" section of the Company's website eni.com. The Italian text prevails over the English version.

4 Eni: profile, structure and values

- 4 Profile and structure
- 5 Corporate Governance Model
- 7 Principles and values. The Code of Ethics
- 8 Corporate Governance policy
- 8 Eni's recommendations for the Italian Corporate Governance system
- 9 Sustainability

10 Information on the ownership structure

- 10 Share capital structure, significant shareholdings and shareholders' agreements
- 11 Shareholding limits and restrictions on voting rights
- 11 Special powers of the State (Golden Share)
- 12 Shares and participating financial instruments referred to in Italian Law No. 266 of December 23, 2005
- 12 Material agreements that would become effective, be modified or extinguished in the event of a change of control of Eni
- 12 Agreements between the Company and Directors which envisage indemnities in the event of resignation or dismissal without just cause, or if their employment contract should terminate as the result of a takeover bid
- 13 Proxies for share capital increase, power to Directors to issue participating financial instruments and authorization to purchase treasury shares

14 Corporate Governance Information

14 The Corporate Governance Code for Listed Companies of December 2011 which Eni has adopted

15 Gender balance in corporate board composition and initiatives to ensure diversity

16 Shareholders' Meeting and rights

19 Board of Directors

- 19 Composition
- 22 Appointment
- 23 Succession plan for Executive Director and key personnel
- 23 Independence requirements
- 24 Integrity requirements, reasons for ineligibility and incompatibility
- 25 Policy of the Board of Directors on the maximum number of offices held by its members in other companies
- 25 Powers
- 27 Meetings and running of meetings
- 28 Board review and peer review
- 29 Board Induction

30 Remuneration Report

30 Board Committees

- 31 Control and Risk Committee

- 32 Compensation Committee

- 33 Nomination Committee

- 34 Oil-Gas Energy Committee

35 Chief Operating Officers of the Divisions

35 Board of Statutory Auditors

- 35 Duties

- 35 Composition and appointment

- 38 Professional, integrity and independence requirements: causes for ineligibility, incompatibility and dismissal

- 38 Meetings and operational procedures

39 Internal control and risk management system

- 39 Actors and duties

- 39 Board of Directors

- 41 Board of Statutory Auditors

- 41 Control and Risk Committee

- 42 The CEO, acting as the Director charged of the internal control and risk management system

- 43 Internal Audit

- 44 Officer in charge of preparing financial reports (Financial Reporting Officer)

- 45 Eni Watch Structure

- 46 Eni's Personnel-Management

46 Eni Regulatory System

- 46 The features of the Eni Regulatory System

- 48 Management System Guideline "Internal control and risk management system"

- 49 Management System Guideline Integrated Risk Management

- 50 Main characteristics of the risk management and internal control systems applied to the financial reporting process (Management System Guidelines "Eni's internal control system over financial reporting")

- 52 Model 231

- 53 Anti-Corruption compliance programme

- 54 Procedure for Whistleblowing reports (including anonymous complaints) received by Eni SpA and subsidiaries in Italy and abroad

- 55 Judicial Events Presidium

- 55 Management System Guideline "Transactions involving the interests of Directors and Statutory Auditors and transactions with related parties"

- 56 Management System Guideline Market Abuse

57 Audit Firm

57 Court of Auditors

58 Relations with shareholders and the market

59 Tables



This Report provides a broad and comprehensive overview of the Corporate Governance system adopted by Eni SpA (hereinafter referred to as “Eni” or the “Company”). In compliance with the applicable legal ² and regulatory requirements, and in accordance with the guidelines and recommendations of Borsa Italiana SpA (hereinafter “Borsa Italiana”) and of the most representative business associations, this Report provides information on Eni’s ownership structure and on its compliance with the Corporate Governance Code for listed companies of December 5, 2011 ³ (“Corporate Governance Code”), explaining the choices made in implementing the Corporate Governance principles, and on the Corporate Governance practices actually instituted. The Corporate Governance Code is available to the public at the Internet address: www.borsaitaliana.it ⁴. The text of the Corporate Governance Code, with indication of the solutions adopted by Eni to improve the Corporate Governance system, is also available on Eni’s website ⁵. The text of the Report, approved by the Board of Directors on March 14, 2013, is published in the “Governance” section of the Company’s website ⁶. The Directors’ Report on Operations, which is a part of the Annual Report for the 2012 financial year ⁷, contains a section entitled “Governance”, which describes Eni’s Corporate Governance system with an integrated view of the creation of sustainable value through business support. Finally, for a more detailed treatment of compensation matters, please refer to the Remuneration Report ⁸, approved by the Board on March 14, 2013 and published with this Report. The information contained in this Report refers to 2012 and, with respect to certain issues, is up-to-date as of the date of the meeting of the Board of Directors called to approve it.

Eni: profile, structure and values

Profile and structure

Eni is a company that issues shares listed on the electronic stock exchange (Mercato Telematico Azionario) managed by Borsa Italiana SpA and on the New York Stock Exchange (NYSE) of the United States.

Eni is an integrated energy company with operations in 90 Countries and a workforce of 77,838 (26,804 in Italy - 55,034 abroad). The Company operates in oil, natural gas, and energy in general, including the generation and sale of electricity and in the petrochemicals, engineering and construction sectors. Eni’s organisational structure is built around business units, each specialising in a business segment and responsible for achieving segment targets. The “Corporate” unit is in charge of setting policy, providing coordination and control, and supplying certain support services and activities to the business units in a centralised form.

More specifically, Eni operates in the following sectors through three Divisions: (i) Exploration & Production (“E&P”), which explores, develops and produces oil and natural gas throughout the world; (ii) Gas & Power (“G&P”), which supplies, trades and sells electricity and liquid natural gas (“LNG”); and (iii) Refining & Marketing (“R&M”), which refines and sells fuels and other petroleum products.

Eni also engages in trading as part of its integrated management of commodity risk and in asset-backed trading, and also has a presence in the engineering, construction and petrochemicals sectors through its subsidiaries.

(2) Art. 123-bis of Italian Legislative Decree No. 58/1998 (Consolidated Law on Financial Intermediation).

(3) The new Code was produced by the Corporate Governance Committee sponsored by Abi, Ania, Assonime, Assogestioni, Borsa Italiana and Confindustria. More information on the various editions of the Code and the composition of the Committee can be found on Borsa Italiana’s website.

(4) The Corporate Governance Code of December 2011 can be found at: <http://www.borsaitaliana.it/borsaitaliana/regolamenti/corporategovernance/corporategovdec2011.en.pdf.htm>.

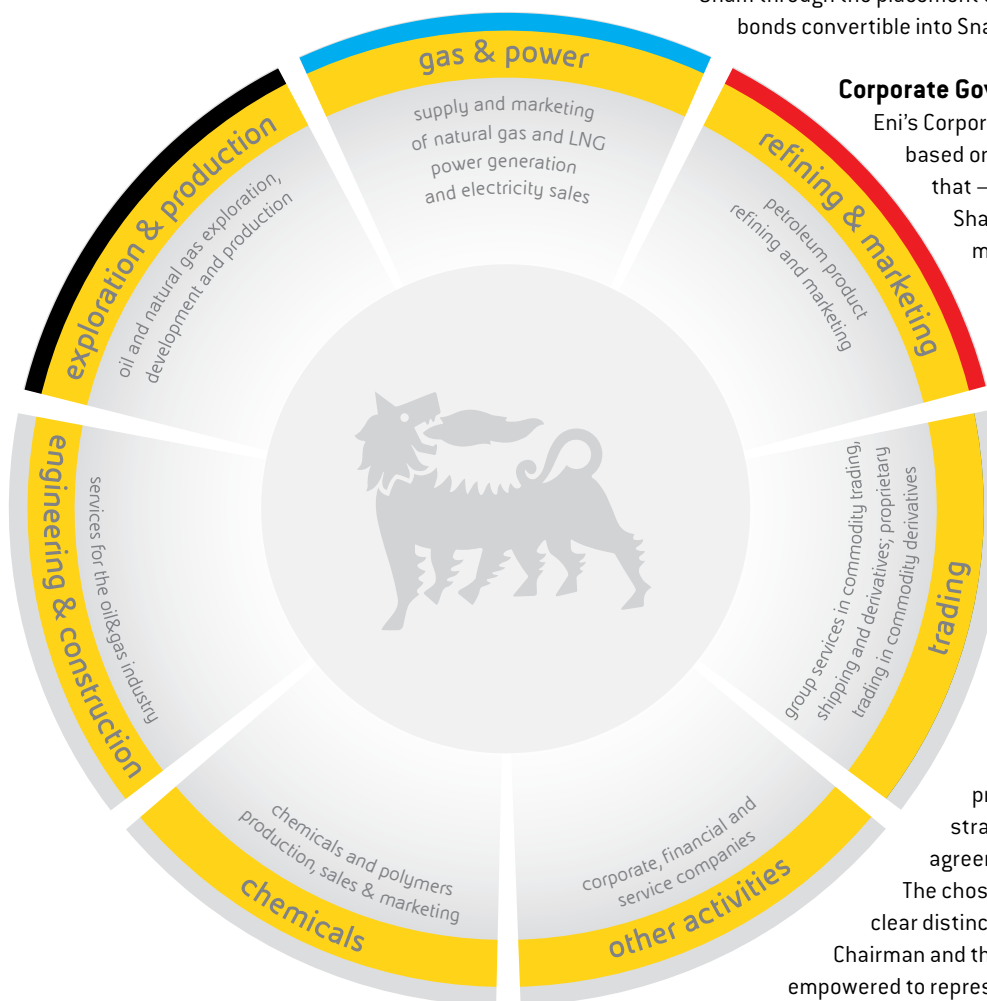
(5) Available at: <http://www.eni.com/en/IT/governance/governance-model-policies/eni-corporate-governance-code/eni-corporate-governance-code.shtml>.

(6) Available at: <http://www.eni.com/en/IT/governance/report-on-corporate-governance/report-on-corporate-governance.shtml>.

(7) Available at: <http://www.eni.com/en/IT/investor-relation/reports/reports.page?type=bil-rap>.

(8) This is the report envisaged by Art. 123-ter of the Consolidated Law on Financial Intermediation, published with this Report in the manner required by Art. 84-quater of Consob Resolution No. 11971 of May 14, 1999, as amended (“Consob Issuers’ Regulation”).

The chart below shows the Eni business segments ⁹.



Corporate Governance Model

Eni's Corporate Governance structure is based on the traditional Italian model that – respecting the duties of the Shareholders' Meeting – assigns the management of the Company to the Board of Directors, the heart of the organisational system, and supervisory functions to the Board of Statutory Auditors. Auditing is carried out by the Audit Firm appointed by the Shareholders' Meeting. In accordance with the By-laws, the Board of Directors appoints a Chief Executive Officer ("CEO") to manage the Company, while reserving decisions on certain issues to itself, and delegates powers to the Chairman to allow him to identify and promote integrated projects and strategically relevant international agreements.

The chosen model therefore makes a clear distinction between the functions of the Chairman and those of the CEO, both of whom are empowered to represent the Company, in accordance with Article 25 of the By-laws.

The Board of Directors has created four internal committees having consulting and advisory functions: the Control and Risk Committee ¹⁰, the Compensation Committee, the Nomination Committee and the Oil-Gas Energy Committee. Moreover, on a proposal of the CEO and in agreement with the Chairman, it has appointed three Chief Operating Officers to head Eni's three operational Divisions ¹¹.

The Board of Directors, upon a proposal of the CEO, in agreement with the Chairman and with the approval of the Board of Statutory Auditors, has appointed the Chief Financial Officer as the Financial Reporting Officer.

Certain organisational and managerial decisions, highlighted in this Report, were made to achieve compliance with US regulations, to which the Company is subject as a NYSE-listed company.

Eni also wholly or jointly controls around 380 companies in Italy and abroad, including Saipem SpA, Eni International BV and Versalis SpA. The Board of Directors has designated these companies as "strategically important subsidiaries" or "major subsidiaries".

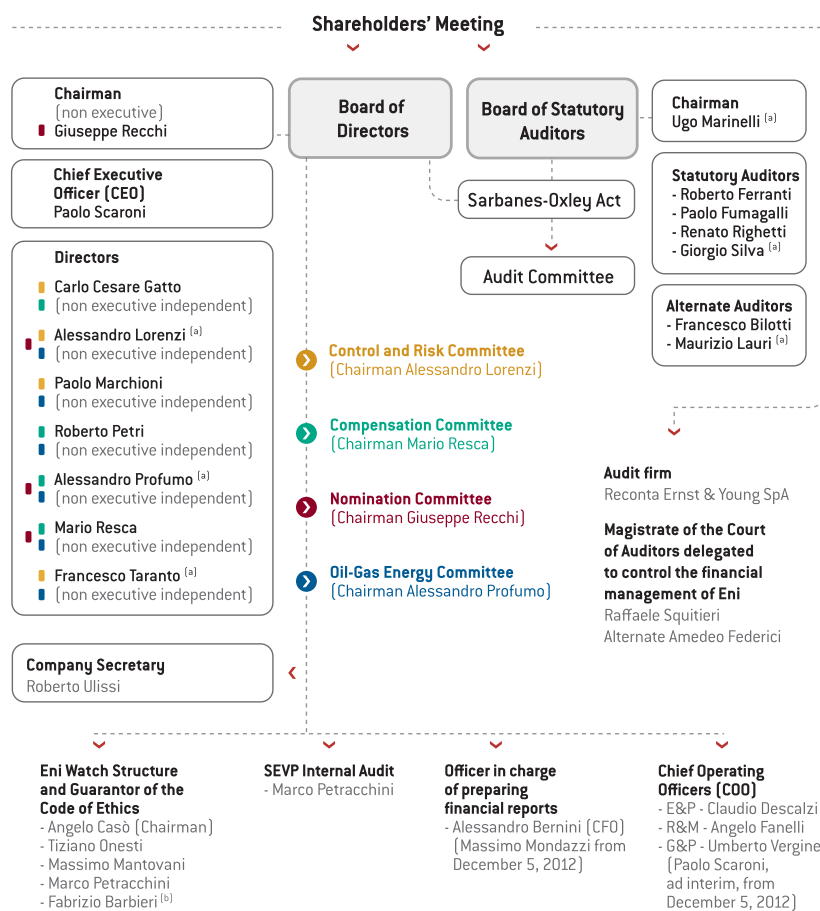
Snam SpA (hereinafter "Snam") is no longer a subsidiary of Eni SpA as from October 15, 2012. The Eni Board of Directors, pursuant to the Prime Minister's Order of May 25, 2012, approved the sale of 30% less one share of the voting capital of Snam to Cassa Depositi e Prestiti SpA (hereinafter "CDP") at its meeting of May 30, 2012. The closing occurred on October 15, 2012. As to its remaining stake in Snam, Eni completed the sale of 5% of the share capital of the company (corresponding to 5.28% of the voting capital) through an accelerated book

[9] For more information, please consult the "Company" section of the Company's website and the Annual Report.

[10] The committee's name was changed on July 31, 2012 from the Internal Control Committee.

[11] Exploration & Production, Gas & Power and Refining & Marketing Divisions.

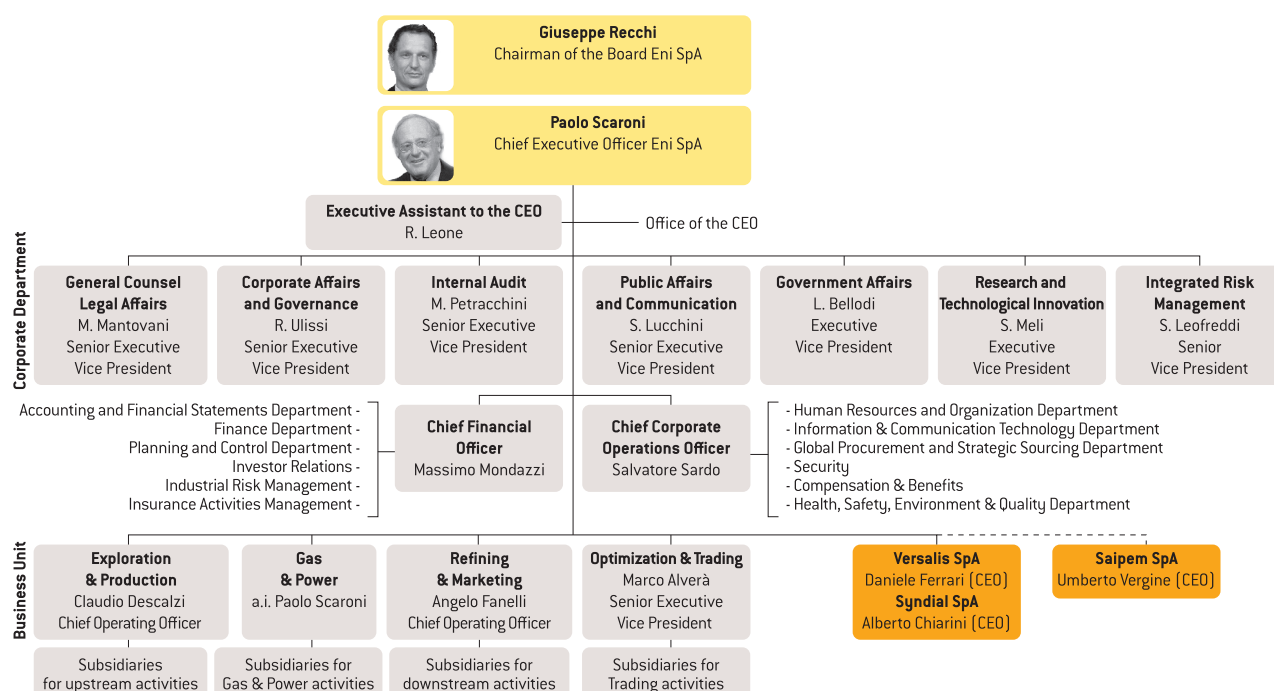
Below is a chart representing the Company's governance structure in 2012:



a) Members appointed by the minority list.
b) From April 10, 2012 replaced Pierluigi Renzi.

Eni's organizational management structure is divided into "Corporate Departments" and "Business Units" that report directly to the CEO of Eni SpA.

Below is a charge setting out the current macro-organizational structure:



The Chief Operating Officers and the Chief Financial Officer, along with the Chief Corporate Operations Officer, the Executive Assistant to the CEO, the officers that report directly to the CEO (Senior Executive Vice President of the Company and the Executive Vice President for Government Affairs) and the CEO of Versalis SpA¹² are permanent members¹³ of the Management Committee, which provides advice and support to the CEO. The Management Committee meets monthly, usually prior to the meetings of the Board of Directors, and whenever the CEO of Eni SpA believes it necessary, to consider the issues he indicates, including those that may be proposed by Committee members, other persons reporting to him or by the CEOs of the subsidiaries that report directly to him. The Chairman of the Board is invited to attend Management Committee meetings. Other managerial committees in addition to the Management Committee have been formed. Those with responsibilities involving Corporate Governance include the Compliance Committee and the Risk Committee, described in more detail herein.

The Compliance Committee is comprised of: the Senior Executive Vice President for Legal Affairs; the Senior Executive Vice President for Corporate Affairs and Governance; the Senior Executive Vice President for Internal Audit; the Executive Vice President for Administration and Finance; the Executive Vice President for Human Resources and Organisation and the Executive Vice President for Government Affairs. The Committee provides advice and support concerning compliance and governance matters to the CEO and is responsible for reporting the need to examine any new issues more thoroughly in working groups and to assess whether the Board of Directors of Eni SpA has the power to resolve upon Company regulations, or whether the opinion or proposal of the Control and Risk Committee is required. The Compliance Committee meets on at least a quarterly basis and whenever one or more of its members request that it meet.

The Risk Committee, was formed on April 10, 2012 as part of the "Integrated Risk Management" project. The Committee, presided over by the CEO of Eni SpA, provides advice to the CEO on the major risks and, specifically, reviews and offers its opinion, at the CEO's request, on the primary results of the Integrated Risk Management process. The Committee is comprised of: the Chief Operating Officers; the CEO of Versalis SpA; the Chief Financial Officer; the Chief Corporate Operations Officer; the Senior Executive Vice Presidents for Legal Affairs, for Corporate Affairs and Governance, for Internal Audit, for International Relations and Communication, and for Optimization & Trading; and the Executive Vice President for Government Affairs. The other persons reporting directly to the CEO of Eni SpA and the CEOs of the subsidiaries that report directly to the CEO of Eni SpA are invited to attend those meetings where their duties relate to the items on the agenda. The Chairman of the Board of Directors of Eni SpA is also invited to attend the meetings.

Principles and values. The Code of Ethics

Each action Eni undertakes is characterised by a strong commitment towards sustainable development: valuing people, contributing to the development and wellness of the communities in which it operates, respecting the environment, investing in technical innovation, pursuing energy efficiency and mitigating the risks of climate change are the targets shared by the Company bodies, the management and employees alike.

All the men and women working at Eni share the same passion for challenges, continuous improvement and excellence and place great importance on people, the environment, fairness and the values set forth in the Code of Ethics¹⁴.

Integrity and transparency are the principles that Eni pursues in formulating a management and control structure that is suited to its size, complexity and operating structure, in adopting an effective internal control and risk management system, and in communicating with shareholders and other stakeholders, also by reviewing and updating the information available on its website.

The Board of Directors believes in the importance of clearly defining the values and principles that inspire Eni's activities – both within and outside the Company structure – so as to ensure that all Company activities are carried out in compliance with the applicable regulations, in the context of fair competition, honesty, integrity, fairness and good faith, and in conformity with the legitimate interests of all stakeholders with whom Eni entertains relations on a daily basis: shareholders, employees, suppliers, customers, commercial and financial partners, local communities and institutions of the Countries in which Eni operates.

These values are set forth in the Eni Code of Ethics, approved by the Board of Directors on March 14, 2008, which replaces the previous 1998 Code of Conduct, which the Directors, Auditors, management, and all Eni employees are required to uphold, as well as those who operate in Italy or abroad to achieve Eni's objectives, in the context of their own functions and duties.

Everyone working for Eni is called upon to observe these principles, and to ensure that they are observed, as the Code of Ethics plays an important role for the efficiency, reliability and reputation of Eni, a crucial asset for business success and for improving the social context in which Eni operates. In no way whatsoever may the belief of acting to the benefit of Eni justify any conduct that infringes these principles.

With specific reference to corporate governance issues, the Code includes references to the main Corporate Governance rules contained in the Corporate Governance Code, which Eni has adopted, highlighting relations with shareholders and the market, and defining the main principles to be observed in disclosing Company information and in media relations.

The Code represents an essential general principle of Model 231¹⁵, as well as a key element of the anti-corruption

[12] In May 2012, Polimeri Europa SpA changed its name to Versalis SpA.

[13] The Senior Executive Vice President for Internal Audit attends the meetings of the Management Committee which lie within its competence.

[14] For more information, please refer to the section on the "Code of Ethics".

[15] For more information, please refer to the section on "Model 231".

framework¹⁶ of which it is an integral part: the synergies between the Code of Ethics and the Model 231 are underlined by the assignment to the Eni Watch Structure – established by Model 231 – the function of Guarantor of the Code of Ethics, with the duty of promoting and verifying its implementation. The Guarantor of the Code of Ethics presents a report every six months on the implementation of the Code to the Control and Risk Committee, the Board of Statutory Auditors and to the Chairman and CEO of Eni, who in turn report to the Board of Directors. The Code of Ethics applies to all direct or indirect subsidiaries, both in Italy and abroad. Each subsidiary assigns the function of Guarantor of the Code of Ethics to its own Watch Structure. Listed subsidiaries adjust the Code – where necessary – to their specific characteristics, in accordance with their own managerial independence.

Eni is committed to disseminating the principles of the Code¹⁷, which is available in 21 languages, including the Italian original, in order to ensure its maximum dissemination in the international context in which Eni operates. The widespread distribution of the Code of Ethics has been continued, from the Board of Directors down to newly-hired employees, through a range of initiatives using interactive tools, dedicated presentations and integration into the Company's institutional training courses. Eni's representatives within the company bodies of other affiliates, consortia and joint ventures promote the principles and contents of the Code within their respective areas of responsibility.

Eni's commitment to disseminating the principles of the Code is further underscored by the creation of a "Code Promotion Team" that reports to the Guarantor of the Code of Ethics. The Team is responsible for promoting understanding and facilitating implementation of the Code by providing the necessary means for interpreting and implementing it. To that end, it promotes initiatives that differ depending upon the stakeholders involved: these initiatives aim to stimulate feedback on the Code so that the latter may be constantly updated to reflect the actual social context in which Eni operates.

Corporate Governance policy

In the context of Eni's Regulatory System¹⁸, on July 28, 2010 the Board of Directors defined the binding principles of Eni's Corporate Governance system, issuing the "Corporate Governance" Policy.

The Board of Directors identified integrity and transparency to be the founding principles of its Corporate Governance system and stated its commitment to:

- adopt measures that ensure correct handling of any situation that may involve a conflict of interest, even potential, while safeguarding the rights of and relations with its stakeholders and providing complete, timely, clear and correct information;

- pursue the best corporate governance practices, including through comparison with the best Italian and foreign governance models and, in particular, with the principles issued by the most representative institutions and associations;
- promote its Corporate Governance principles by encouraging observations and introducing new ideas, in particular through participation in institutional and sector working groups and by promoting relevant initiatives;
- promote and maintain an adequate, effective and efficient internal control and risk management system.

Moreover, the Board established that the model adopted by Eni in performing its management and coordination activities corresponds to that of an integrated company, where the latter denotes the accomplishment of a shared strategic vision and maximisation of value for all company components.

In pursuing this goal, Eni acts in accordance with the managerial independence of the individual companies, in particular of the listed companies and those subject to special regulations, and respects the interests of other shareholders, the confidentiality obligations that safeguard the commercial interests of the companies involved and, regarding foreign companies, local regulations.

Among the other aims pursued, actions designed to ensure an adequate and effective internal control and risk management system for the integrated company are of fundamental importance – both overall and in its main components – in addition to compliance with the rules the Company is subject to in its role as parent company¹⁹.

Eni's recommendations for the Italian Corporate Governance system

In line with the principles of its Corporate Governance Policy, Eni has contributed to the debate on the Corporate Governance of Italian listed companies, moving from analysis of foreign best practices that are not yet established in the national system and to which Eni pays particular attention due to the international scope of its business.

The results of the analysis, filtered through the Company's experience, led to the drafting of a number of proposals (legal provisions or self-regulatory provisions) to improve the efficiency of the Italian system.

The proposals, result of study carried out by Company officers with the support of a team of external²⁰ and in-house experts, formed in November 2010, was unveiled to the media on July 13, 2011 and opened for comment by the public²¹ and the business, financial, academic and institutional worlds.

A large portion of the proposals have been incorporated as recommendations or comments in the new edition of the Corporate Governance Code. The following paragraphs described how Eni has implemented each governance proposal.

[16] For more information, please see the section on this topic.

[17] For more information on the dissemination and communication of the Code, please refer to the "Sustainability" section of the Eni website: http://www.eni.com/en/IT/sustainability/sustainability.shtml?home_2010_it_tab=navigation_menu.

[18] For more information on Eni's Regulatory System, please refer to the "Internal control and risk management system" section.

[19] All Eni subsidiaries adopt the Management System Guideline "Eni Control System on Company Reporting"; for further information, please refer to the section "Main characteristics of the risk management and internal control systems applied to the financial reporting process (Management System Guidelines "Eni's internal control system over financial reporting")" included in this Report.

[20] Lamberto Cardia (former Consob Chairman) and Massimo Capuano (former Chief Executive Officer of Borsa Italiana).

[21] The proposals can be found on Eni's website, at the address: <http://www.eni.com/en/IT/governance/proposals/eni-proposal.shtml>. It is possible to send a comment, by filling out the appropriate form at the following address: <http://www.eni.com/portal/proposte/processGovernance.do?locale=en.IT>.

Sustainability

Sustainability is an integral part of the Eni governance model and constitutes a driving force behind a process of continuous improvement that focuses on issues that arise from interaction with stakeholders, from analysis of energy scenarios, including future scenarios, and from multi-dimensional analysis of the contexts in which Eni operates, with respect to business strategies and the main risk areas.

Sustainability is part of Eni's business model, integrated into the Company's methods of operating, determining its strategies, and contributing to achieving medium and long-term objectives. Eni understands that a well-managed company must take a long-term view that takes into account social and environmental responsibilities in its risk analysis and when exploring opportunities.

For these reasons, sustainability is fully integrated into all company processes: from planning, monitoring and control to risk prevention and management, from implementation of operations to reporting, and in communications regarding performance and activities with outside parties.

Consistent with this logic, all Company objectives are pursued with an approach that is strongly focused on operational excellence, technological innovation, cooperation for the development of the Countries where Eni operates, the importance of people, the responsibility to manage its business following strict financial rules, the highest ethical principles, and synergies deriving from integration throughout the entire energy chain. The Board of Directors is the body primarily responsible for sustainability at Eni, playing a key role in defining the sustainability policies and approving the sustainability results, which are also presented to the Shareholders' Meeting. Sustainability and management ethics are specific subjects dealt with during Board Induction in order to allow Directors to understand the processes of integrating sustainability into business, as well as highlighting how environmental and social issues are involved with and influence activities.

In 2011, the Eni Board of Directors approved the Sustainability Policy, which sets out the fundamental principles upon which the Company's sustainable operations are based and which are among the highest objectives of Eni's new internal regulatory system. In order to maintain high Sustainability standards in operations, Eni sets annual targets described in the Business Plan, pursued through projects and initiatives carried out by all the relevant structures at Eni and its subsidiaries. Approval of the associated action plans and review of the main results achieved is done by the Company's highest decision-making bodies. Since 2010, in order to emphasise the contribution of sustainability of operations to creating value for the Company and stakeholders, the sustainability results, as well as all the elements that determine the same, are communicated together

with the financial results and included in the Annual Report.

Eni's Audit Firm (Reconta Ernst & Young) verifies the appropriateness of the overall business planning and management process, as well as the transparency and traceability of the sustainability data from the operational sites, which are then consolidated and audited at a Country, Company, Division, Corporate Department, and Sustainability Unit level. This certification process complies with the criteria set forth in the ISAE 3000 standard, issued in 2004 by the International Auditing and Assurance Standard Board (IAASB), which is also responsible for issuing auditing principles.

The most significant initiatives undertaken by Eni in terms of governance system sustainability in 2012 and by end of March 2013 include, in particular: (i) amending the By-laws of Eni SpA and the Italian subsidiaries to ensure gender balance within the corporate bodies; (ii) training programmes for the Eni SpA corporate bodies (i.e. on-going induction) and the newly-appointed directors of Eni's subsidiaries (the so-called "Welcome Board") in order to provide them with a better awareness of the tools available to help them properly carry out their duties and give them an understanding of the industry; (iii) promoting shareholder participation in Company life; (iv) raising awareness among shareholders and the Board on issues relevant to the business model and diversity in particular; (v) spreading good governance practices in accordance with the principles outlined in the Code of Ethics; and (vi) promoting best practices in terms of Corporate Governance.

Eni's commitment to sustainable development is also recognised by the leading financial Sustainability indexes. In 2012, Eni was the only energy-sector company included in the Carbon Performance Leadership Index (CPLI), which measures a company's commitment to reducing greenhouse gas emissions and limiting the risks associated with climate change. This is particularly significant given that the industry is responsible for 40% of all greenhouse gas emissions by companies listed in the Global 500 Index, which groups together the top 500 companies worldwide by revenue. In 2012, Eni made its sixth straight appearance in the Dow Jones Sustainability Index and was once again included in the FTSE4Good, receiving high marks on both indexes. Also in 2012, Eni took actively part in the working group to create a Sustainability training programme for Boards of Directors under the UN Global Compact LEAD (PRME) initiative. The goal of this programme is to make Directors aware of the importance of sustainability issues, as well as their role in integrating the UN Global Compact principles into the strategies and operations of the companies managed by them. For more information, please refer to the section on the Eni website dedicated to Sustainability²².

[22] http://www.eni.com/en_IT/sustainability/sustainability.shtml?home_2010_it_tab=navigation_menu.

Information on the ownership structure ²³

Share capital structure, significant shareholdings and shareholders' agreements

Eni's share capital is made up of ordinary registered shares. The shares are indivisible and each one grants the holder the right to one vote. Holders of Eni shares have the right to vote in the Company's ordinary and extraordinary Shareholders' Meetings, and exercise the corporate and property rights given them under the laws in force, subject to the limits specified by the latter and by the Company's By-laws. At December 31, 2012, the Company's share capital amounts to €4,005,358,876 – fully paid-up – and comprises 3,634,185,330 ordinary shares without par value ²⁴. The Company's shares are listed on the electronic stock

exchange managed by Borsa Italiana SpA. In 1995, Eni issued an ADR (American Depositary Receipts) program for the US market. An ADR consists of a share certificate representing foreign company shares traded on stock exchanges of the United States. Each Eni ADR represents two ordinary shares and is traded on the New York Stock Exchange ²⁵.

Eni is therefore subject to the control of the Ministry of the Economy and Finance ²⁶, which has enough votes to exercise a dominant influence in the ordinary Shareholders' Meeting of the Company, through stakes held directly in the Company (with 4.34%) and indirectly (with 25.76%) through Cassa Depositi e Prestiti SpA (CDP SpA), a company controlled by the Ministry.

Controlling shareholders

| Shareholders | Number of shares | % of total ordinary shares |
|-------------------------------------|----------------------|----------------------------|
| Ministry of the Economy and Finance | 157,552,137 | 4.34 |
| CDP SpA ^(a) | 936,179,478 | 25.76 |
| | 1,093,731,615 | 30.10 |

(a) CDP SpA press release of 9 October 2012.

Eni is not subject to the management and coordination of the Ministry of the Economy and Finance, nor is the Company aware of any agreements between shareholders, pursuant to Art. 122 of the Consolidated Law on Financial Intermediation. The following table shows the percentage of Eni's share capital

owned directly or indirectly by persons or entities who notified their holdings exceed the 2% threshold pursuant to Art. 120 of the Consolidated Law on Financial Intermediation and to Consob Resolution No. 11971/1999 (the "Consob Issuers' Regulation"), at December 31, 2012:

Other significant shareholders

| Declarant | % holding declared | % holding recalculated on basis of current No. of ordinary shares ^(b) |
|-------------------------------|--------------------|----------------------------------------------------------------------------------|
| BNP Paribas SA ^(a) | 2,285 | 2,519 |

(a) Direct and indirect holding, of which 0.421% without voting rights, as disclosed on 20 September 2011.

(b) Holdings notified before July 16, 2012 have been rebased following the cancellation of treasury shares resolved by Eni Shareholders' Meeting on July 16, 2012.

(23) Information on the shareholding structure is provided in accordance with the provisions of Art. 123-bis, first paragraph, of the Consolidated Law on Financial Intermediation. Regarding information on:

- the mechanism for the exercise of voting rights in any employee share scheme where voting rights are not exercised directly by the employees as specified in letter e) of the above-mentioned regulation, please refer to the section "Shareholders' Meeting and rights";
- rules that apply to the appointment and replacement of Directors, as specified in letter l) of the above-mentioned regulation, please refer to the paragraph "Appointment", of the section "Board of Directors";
- amendments to the By-laws, as specified in letter l) of the above-mentioned regulation, please refer to the section "Shareholders' Meeting and rights".

(24) The extraordinary Shareholders' Meeting held on July 16, 2012, resolved to eliminate the par value of all ordinary shares representing the share capital, previously equal to €1.00 each, and therefore to amend the By-laws and cancel 371,173,546 treasury shares without par value, leaving the amount of share capital unchanged.

(25) For more information on the ADR program, please refer to the relevant section of the Eni Internet site on FAQ: http://www.eni.com/en/IT/faq/faq.shtml?header=faq&home=2010_en.tab=header.tools.

(26) Article 19, paragraph 6, of Italian Law Decree No. 78/2009, ratified by Law No. 102/2009, specifies that the reference to management and coordination activity contained in Art. 2497, first paragraph, of the Italian Civil Code must be interpreted with reference to the fact that "entities" refers to "collective legal subjects other than the State having shareholdings in the company in the context of their entrepreneurial activity, or for economic or financial purposes".

Below is a graphical representation of the distribution of shares by geographical area and amount based on the most recent

information available to the Company:

| Distribution of shareholders by geographical area ^(a) | | | |
|------------------------------------------------------------------|------------------------|----------------------|--------------------|
| Shareholder provenance | Number of shareholders | Number of shares | % of share capital |
| Italy | 340,808 | 1,738,059,879 | 47.83 |
| UK and Ireland | 848 | 291,355,412 | 8.02 |
| Other EU Countries | 4,385 | 809,963,540 | 22.29 |
| United States and Canada | 1,542 | 411,590,800 | 11.33 |
| Rest of the world | 1,085 | 368,561,034 | 10.14 |
| Treasury shares as at the dividend payment date | 1 | 11,388,287 | 0.31 |
| Shares for which no specific shareholder information received | | 3,266,378 | 0.09 |
| Total | | 3,634,185,330 | 100 |

(a) Based on reports of persons receiving the interim dividend for 2012 (ex dividend date September 24, 2012 - payment date September 27, 2012).

| Distribution of shareholders by size of holding ^(a) | | | |
|----------------------------------------------------------------|------------------------|----------------------|--------------------|
| Size of holding | Number of shareholders | Number of shares | % of share capital |
| >10% ^(b) | 1 | 994,434,728 | 27.36 |
| 3%-10% ^(c) | 3 | 446,717,999 | 12.29 |
| 2%-3% | | | |
| 1%-2% | 9 | 445,705,058 | 12.27 |
| 0.5%-1% | 7 | 171,705,254 | 4.73 |
| 0.3%-0.5% | 15 | 203,888,526 | 5.61 |
| 0.1%-0.3% | 41 | 269,283,349 | 7.41 |
| ≤ 0.1% | 296,500 | 1,087,795,751 | 29.93 |
| Treasury shares as at the dividend payment date | 1 | 11,388,287 | 0.31 |
| Shares for which no specific shareholder information received | | 3,266,378 | 0.09 |
| Total | | 3,634,185,330 | 100 |

(a) Based on reports of persons receiving the interim dividend for 2012 (ex dividend date September 24, 2012 - payment date September 27, 2012).

(b) Between September 24, 2012 and October 9, 2012 CDP sold 58,255,250 Eni shares, equal to 1.6% of share capital. As a result, the equity interest held by CDP in Eni decreased to 936,179,478 shares, equal to 25.76% of the company's share capital.

(c) Banca IMI SpA (through its parent company Intesa Sanpaolo SpA) announced that its holding had exceeded the threshold of 2% on September 18, 2012. The interest subsequently returned below the 2% threshold on October 3, 2012.

Shareholding limits and restrictions on voting rights

Pursuant to Art. 6 of the By-laws, in accordance with the special provisions specified in Art. 3 of Law Decree no. 332 of 1994, ratified by Law no. 474 of 1994 ²⁷ ["Law No. 474/1994"], under no circumstances whatsoever may any party directly or indirectly hold more than 3% of the share capital. Exceeding these limits shall lead to a suspension of the exercise of voting rights or any other non-financial rights attached to the shares held exceeding the aforementioned limit.

Pursuant to Art. 32 of the By-laws, and the aforementioned regulations, shareholdings in the share capital of the Company held by the Ministry of the Economy and Finance, public bodies, or organizations controlled by the latter are exempt from this provision.

Lastly, the special provision states that the clause regarding shareholding limits shall not apply if the above limit is exceeded

following a takeover bid, provided that the bidder – as a result of the takeover – will own a shareholding of at least 75% of the capital with voting rights in deliberations regarding the appointment or dismissal of Directors ²⁸.

Special powers of the State (Golden Share)

Pursuant to Art. 6.2 of the By-laws and in accordance with the special provisions set forth in Law No. 474/1994, the Minister of the Economy and Finance, in agreement with the Minister of Economic Development, retains special powers to be exercised in accordance with the criteria set out in the Italian Prime Ministerial Decree of June 10, 2004 ²⁹.

The special powers briefly include the following:

- a) opposition with respect to the acquisition by parties subjected to the shareholding limit ³⁰, of material shareholdings (i.e., those representing at least 3% of share

[27] Art. 3 of Law No. 474/94 was formally amended by Decree Law No. 21 of March 15, 2012, ratified, with amendments, by Law No. 56 of May 11, 2012.

[28] Pursuant to Italian Law No. 266 of 2005 (2006 Budget Law), to which a specific paragraph of this Report is dedicated, this clause would cease to apply if the rules regarding the issue of shares or participating financial instruments – such as those specified in the law itself – were included in the By-laws.

[29] The special powers are exercised exclusively in the event of significant and binding reasons of general interest, with particular reference to public order, public security, public health and defence, in the appropriate form and measure and proportionally to the safeguarding of interests, even by means of necessary time constraints, without prejudice to compliance with the national and European principles, first and foremost among these the non-discrimination principle. Art. 1, paragraph 2, concerning the special circumstances in which the special powers may be exercised, was repealed by the Italian Prime Ministerial Decree of May 20, 2010.

[30] These are the parties outlined in Article 6.1 of the By-laws, excluding those specified in Article 32.2.

capital with the right to vote at the ordinary Shareholders' Meeting). The opposition shall be expressed within ten days of the notice to be filed by the Board of Directors at the time request is made for registration in the Shareholders' Register if the Minister considers that such an acquisition may prejudice the vital interests of the Italian State. Until the ten-day term has lapsed, the voting rights and the non-financial rights attached to the shares representing a material shareholding may not be exercised. If the opposition power is exercised, with a measure duly explicating the prejudice that the transaction may cause to the vital interests of the Italian State, the transferee may not exercise the voting rights and the other non-financial rights attached to the shares representing a material shareholding and must sell said shares within one year. In the event of failure to comply, the Court, upon a request of the Minister of the Economy and Finance, will order the sale of the shares representing a material shareholding in accordance with the procedures set forth in Art. 2359-ter of the Italian Civil Code;

- b) opposition to the subscription of shareholders' pacts or agreements pursuant to Art. 122 of the Consolidated Law on Financial Intermediation, involving at least 3% of the share capital with the right to vote at ordinary Shareholders' Meetings. For the purposes of exercising the above-mentioned opposition power, Consob notifies the Minister of the Economy and Finance of the relevant pacts or agreements communicated to it pursuant to Art. 122 of the Consolidated Law on Financial Intermediation. The opposition power must be exercised within ten days from the date of the notice from Consob. Until the ten-day term has lapsed, the voting rights and the non-financial rights attached to the shares held by the shareholders who have entered in to such agreements may not be exercised. If the opposition power is exercised, with a measure duly explicating the prejudice that such agreements or pacts may cause to the vital interests of the Italian State, the shareholder pacts or agreements shall be null and void. If in the Shareholders' Meetings the shareholders who signed shareholders' pacts or agreements behave as if those pacts or agreements governed by Art. 122 of the Consolidated Law on Financial Intermediation were still in effect, the resolutions approved with their vote, if determinant for approval, may be challenged;

- c) veto power, duly supported by an explanation of the effective prejudice to the interests of the Italian State, with respect to resolutions to dissolve the Company, to transfer the business, to merge, to demerge, to transfer the Company's registered office abroad, to change the corporate purpose, or to amend the By-laws so as to eliminate or modify the powers indicated in letters a), b), c) and of the following letter d);

- d) appointment of a non-voting Director.

Decisions to exercise the powers outlined in letters a), b) and c) can be challenged within sixty days, by the parties entitled to do so, before the Regional Administrative Court of Lazio.

Decree Law No. 21 of March 15, 2012, ratified with amendments, by Law No. 56 of May 11, 2012, modified Italian legislation governing the special powers of the State to comply with European rules. The previous provisions [Art. 2

of Decree Law No. 332/94, ratified by Law No. 474/94 and its implementing decrees], as well as the provisions of the By-laws which are inconsistent with the new rules, will be repealed by the last of the implementing ministerial regulations in the areas of energy, transport and communications.

The ministerial regulations had not been issued as of the date of approval of this Report.

Among the provisions to be repealed those governing enforcement of Law No. 474/94 concerning Eni have been expressly identified. Albeit with some amendments, the provisions regarding limits on shareholdings and restrictions on voting rights pursuant to Art. 3 of Law No. 474/1994 are still in force.

Shares and participating financial instruments referred to in Italian Law No. 266 of December 23, 2005

With the aim of "promoting privatization and the spread of investment in shares" of companies in which the Italian State has a significant shareholding, Art. 1, paragraphs 381-384 of Italian Law No. 266 of 2005 (2006 Budget Law) allowed companies primarily controlled by the State, such as Eni, to introduce provisions in their By-laws, whereby shares or participating financial instruments can be issued that grant the special meeting of the holders of these instruments the right to request that new shares – even at par value – or new financial instruments to be issued to them with voting rights in the ordinary and extraordinary Shareholders' Meeting. Adopting this amendment would imply the elimination of the shareholding limit indicated in Art. 6.1 of the By-laws. At present, Eni's By-laws do not include this provision.

Material agreements that would become effective, be modified or extinguished in the event of a change of control of Eni

Except for that mentioned further on, Eni and its subsidiaries are not parties to any material agreements that can be disclosed without causing serious prejudice to the Company, and that would become effective, be modified or extinguished should the Shareholders who currently control Eni change. Material agreements are considered to be agreements that have been examined and approved by the Board of Directors, as matters falling within its exclusive responsibility, as stated below. Specifically, the agreement falling within this category concerns the possible expiry of the natural gas distribution license of the subsidiary Distribuidora de Gas Cuyana SA under the provisions of Art. 34, Title VIII, of Law 24,076 if the company were to be controlled by a shareholder engaged, either directly or through subsidiaries, in the production, storage or distribution of natural gas in Argentina.

Agreements between the Company and Directors which envisage indemnities in the event of resignation or dismissal without just cause, or if their employment contract should terminate as the result of a takeover bid

Information on agreements between the Company and Directors which envisage indemnities in the event of resignation or dismissal without just cause, or if their

employment contract should terminate as the result of a takeover bid are provided – in accordance with the recommendations of Borsa Italiana for the preparation of this Report – in the Remuneration Report pursuant to Art. 123-ter of the Consolidated Law on Financial Intermediation, to which the reader should refer for more information ³¹.

Proxies for share capital increase, power to Directors to issue participating financial instruments and authorization to purchase treasury shares

There are no proxies whereby the Board of Directors can increase the share capital pursuant to Art. 2443 of the Italian Civil Code. The Directors have no power to issue participating financial instruments.

The extraordinary Shareholders' Meeting of July 16, 2012 resolved to cancel 371,173,546 treasury shares ³², without reducing the share capital (equal to €4,005,358,876.00), having first eliminated the par value of the shares and consequently amending the By-laws.

The ordinary Shareholders' Meeting on that same date authorized the Board of Directors to purchase on the Mercato Telematico Azionario – in one or more transactions and in any

case within 18 months from the date of the resolution – up to a maximum number of 363,000,000 ordinary Eni shares, for a price of no less than €1.102 and no more than the official price registered on Borsa Italiana in the trading day prior to each individual transaction, plus 5%, and in any case up to a total amount of €6,000,000,000.00 in accordance with the operating methods established in the organization and management regulations of Borsa Italiana SpA. In order to respect the limit set forth in the third paragraph of Art. 2357 of the Italian Civil Code, the number of shares to be acquired and the relative amount shall take into account the number and amount of Eni shares already held in the portfolio.

The ordinary Shareholders' Meeting also resolved to allocate the total amount of €6,000,000,000.00 to a special reserve designated for the purchase of own shares, formed by using equal amounts from available reserves.

As of December 31, 2012, Eni held a total of 11,388,287 treasury shares, equal to 0.313% of the share capital.

In accordance with the commitments made during the Shareholders' Meeting of July 16, 2012, the Board of Directors will launch a share buy-back program following the presentation of the 2013-2016 Strategic Plan (March 14, 2013).

[31] The Eni Remuneration Report can be found in the "Governance" and "Investor Relations" sections of the Eni website (www.eni.com).

[32] The cancellation excluded those remaining shares allocated for the stock option plan approved by the Shareholders' Meeting or to be granted to the former shareholders of Snam SpA.

Corporate Governance Information ³³

The Corporate Governance Code for Listed Companies of December 2011 which Eni has adopted

On April 26, 2012, with the adoption of the recommendations on compensation, the Board of Directors completed the process, begun on December 15, 2011, of complying with the new Corporate Governance Code of Listed Companies of December 2011 (available on Borsa Italiana website at the address www.borsaitaliana.it).

At that same meeting, the Board of Directors noted that Eni's corporate governance system is consistent with most of the new Code recommendations and taken into account the governance choices ³⁴ made in complying with the previous versions of the Code, done with the goal of implementing its provisions, adjusting them to fit Eni's situation, and enhancing certain principles ³⁵. In order to provide the market with a simple, transparent and comparable assessment of the governance choices made by the Company, the text of the Corporate Governance Code was published on the Eni website, with an indication of the solutions adopted by Eni with reference to the specific recommendations provided by the Corporate Governance Code, along with explanations of these choices ³⁶.

In addition, in implementing the new recommendations of the Corporate Governance Code:

- the Board of Directors confirmed the policy previously stated on the maximum number of offices that can be held by its members in other companies ³⁷, introducing the prohibition on cross-directorships provided for by Art. 2.C.5 of the Corporate Governance Code ³⁸ prior to the required date;
- the Rules of the Control and Risk Committee and of the Nomination Committee were modified;
- the Board of Directors, with the support of the Control and Risk Committee, carried out a number of important initiatives aimed at further strengthening the internal control system, focusing efforts on Company risk management in particular ³⁹;
- the Board approved, with the prior favourable opinion of the Control and Risk Committee, the "Internal Audit Charter", which modifies the previous guidelines and contains provisions on the power, duties and information flow of the Internal Audit Department.

With regard to the implementation of the Code recommendations and to maintain continuity with previous governance choices:

- the functions of the Board of Directors have been redefined, thereby confirming the latter's strategic role and central position within the Company's Corporate Governance system and its wide range of responsibilities, even in terms of Company and Group organization and the internal control system;
- the most significant transactions of the Company and its subsidiaries have been defined and submitted to the Board for the approval, while conduct and procedural controls have been adopted regarding those cases in which the Directors and the Statutory Auditors have an interest of their own or on behalf of another, including in the case of transactions with related parties of Eni;
- the Board of Directors has been assigned a central role in defining the Sustainability policies and in approving the Sustainability Report ⁴⁰;
- as required by the Code, the Board has specified those subsidiaries that are of strategic importance (Saipem SpA, Versalis SpA ⁴¹ and Eni International BV) ⁴²;
- the Board of Directors assigned the CEO the duty of overseeing the internal control and risk management system;
- the principle of safeguarding the managerial independence of the listed subsidiaries (currently, in Italy, Saipem SpA) has been expressly acknowledged, with the commitment on the part of Eni to comply with the provisions of the Code that refer to the shareholders of issuer.

The measures adopted by Eni to strengthen provisions of the Corporate Governance Code include:

- specifying that the Directors must consider the interests of stakeholders other than shareholders in making decisions (Art. 1.P.2 of the Corporate Governance Code);
- the minimum frequency with which Directors with delegated powers must report to the Board has been reduced from three to two months (Art. 1.C.1 letter d) of the Corporate Governance Code) ⁴³;
- Eni must always seek the assistance of an external consultant in conducting the Board self-assessment to ensure greater objectivity in the evaluation process (Art. 1.C.1 letter g) of the Corporate Governance Code);
- in specifying the recommendations provided for by Art. 3

[33] Corporate Governance information is provided in accordance with the provisions of Art. 123-bis, first paragraph, letters e) and l), and second paragraph, of the Consolidated Law on Financial Intermediation.

[34] Board resolutions of December 13, 2006 and, previously, January 20, 2000.

[35] Since December 13, 2006, the Board of Statutory Auditors has complied with the Code provisions that apply to it.

[36] The Corporate Governance Code is published on the Eni website, in the Governance section at:

<http://www.eni.com/en/IT/governance/governance-model-policies/eni-corporate-governance-code/eni-corporate-governance-code.shtml>.

[37] The provisions applicable to executive Directors, apart from the prohibition on cross-directorships, have also been extended to the chief operating officers to ensure that they are dedicating the time required to effectively perform their duties.

[38] For more information on the Board of Directors' resolution, please refer to the "Guidelines of the Board of Directors on the maximum number of offices held by Directors in other companies" paragraph of this Report.

[39] For more information, please see the section "Internal control and risk management system".

[40] For the second year in 2013, Eni presented an integrated report to the market [2012 Annual Report] to allow stakeholders, investors and others to completely understand the interconnections existing between the financial results and its achievements in the environmental and social fields, outlining the dimensions of Eni's sustainable development model.

[41] As of May 2012, Polimeri Europa SpA adopted the name Versalis SpA.

[42] The Board also identified Snam SpA as a subsidiary of strategic importance. However, following the sale by Eni SpA of 30% less one share of the share capital of Snam to Cassa di Risparmio di Venezia SpA, the Board resolved on May 30, 2012 that Snam would no longer be considered a subsidiary of Eni SpA as from October 15, 2012.

[43] This frequency is reported in the resolution delegating the powers of the Board of Directors. For more information, please refer to the paragraph on the "Responsibilities" of the Board of Directors.

of the Corporate Governance Code on the criteria for the independence of Directors, it established the amount of the “additional remuneration” that could compromise the Director’s independence at 30% of fixed remuneration, as well as more precisely defining spouses, relatives or in-laws within the second degree of kinship as “close relatives” (Art. 3.C.1 letter d) and h) of the Corporate Governance Code);

- in highlighting that Eni’s Board has decided to establish all the committees provided for by the Corporate Governance Code (Art. 4.C.1), it resolved that these committees (Control and Risk Committee, Nomination Committee and Compensation Committee) shall not consist of a number of Directors representing the majority of the Board itself, so as to not alter the Board’s decision-making process (Art. 4.C.1 letter a) of the Corporate Governance Code);
- providing that at least two members of the Control and Risk Committee possesses adequate experience in accounting and financial matters (while Art. 7.P.4 of the Corporate Governance Code requires only one member to have such experience);
- all the new recommendations on the composition of the Board and the Committees, as well as the prohibition on the cross-directorship of the CEO, have been implemented prior to the deadline contained in the Corporate Governance Code, with the Company documents being adjusted, where necessary, to reflect the new provisions.

The Board of Directors has chosen to not appoint a Lead Independent Director, in consideration of the fact that the Eni By-laws provide that the positions of Chairman and CEO be held by separate persons, that the position of Chairman is not held by someone who controls the issuer and that the Chairman is a non-executive Director (Art. 2.C.3 of the Corporate Governance Code). As to the recommendation in Art. 7.C.5, letter b) of the Corporate Governance Code, the Board of Directors, upon the proposal of the CEO together with the Chairman, with the prior favourable opinion of the Control and Risk Committee, in consultation with the Nomination Committee and the Board of Statutory Auditors, appoints, revokes the appointment and defines the remuneration of the Senior Executive Vice President for Internal Audit, ensuring that he has the necessary resources for performing his duties. For practical reasons, the Board of Directors has assigned the CEO the ordinary management of employment relationships. However, the Control and Risk Committee oversees the activities of the Internal Audit Department with respect to the Board’s duties in this area. The Senior Executive Vice President for Internal Audit also reports to the CEO, who is charged by the Board to supervise the internal control system. He also reports to the Board of Statutory Auditors as it is the “Audit Committee” under US law. Finally, the Board, with the prior opinion of the Control and Risk Committee, in consultation with the CEO and the Board of Statutory Auditors, approves the annual audit plan.

Further information on how the provisions of the Corporate Governance Code have been implemented will be provided in other sections of this Report. In accordance with the suggestions of Borsa Italiana on preparing this Report, details on compliance

with the recommendations concerning compensation are contained in the Remuneration Report, prepared pursuant to Art. 123-ter of the Consolidated Law on Financial Intermediation, to which the reader is referred.

Gender balance in corporate board composition and initiatives to ensure diversity

The extraordinary Shareholders’ Meeting of May 8, 2012 amended the Company By-laws to bring them into compliance with the provisions of Law No. 120/2011 and Consob Resolution No. 18098 of 2012, to ensure a balanced representation of the genders on the governing and auditing bodies of listed companies, upon renewal of the bodies or replacement of members.

Specifically, the less-represented gender must obtain, in the first upcoming term of office, at least one-fifth of the positions of Director and standing Statutory Auditor, and at least one-third of such positions in the subsequent two terms, starting from the first election of the corporate boards after August 12, 2012.

The Eni By-laws were therefore amended as follows:

- in line with the Consob provisions, slates that contain three or more candidates must include candidates of both genders, giving to the majority slates a higher burden, in order to ensure compliance with the law, when the required minimum number of the less-represented gender is odd (three Directors or one Statutory Auditor);
- if the slate-voting mechanism does not ensure the minimum gender quota provided for by law, an impartial mechanism shall be used, based on the quotients of votes received by the candidates, to select those members of the over-represented gender to be replaced by persons of the less-represented gender, who are of the same slate, if any, or chosen by the Shareholders’ Meeting;
- for the purpose of consistency, an analogous mechanism shall be used to ensure the minimum number of independent Directors as required by the By-laws, amending the current system;
- it is proposed to make clear that the gender-balance rules will also be applied when Directors are replaced during the course of their term of office. As to members of the Board of Statutory Auditors, if replacement with an alternate Statutory Auditor results in non-compliance with the gender-balance rules, the Shareholders’ Meeting shall be called as soon as possible to approve the necessary resolutions;
- finally, a new article was added to the By-laws, which limits the application of the gender-balance rules to the subsequent three elections of the corporate boards, in line with the regulations.

With regard to the composition of the boards of Eni’s subsidiaries and the establishment of the criteria for designating their members, the Eni Board of Directors has decided to move forward the effects of the law on gender balance within Eni’s Italian subsidiaries ⁴⁴, requiring that at least one-third of the

[44] Pursuant to Art. 3 of Law No. 120/2011.

members of the boards appointed starting from 2012 be women with regard to those appointments that Eni may make as shareholder.

Upon the appointment of the boards of 15 Italian subsidiaries comprised of Eni employees, 35.1% of the Directors are women out of those positions appointable by Eni, compared with 7.4% during the previous term, and 34.2% of the standing Statutory Auditors are women, again out of the total positions appointable by Eni, compared with 2.6% during the previous term.

Alongside these initiatives, a training program ("Welcome Board") aimed at members of the company boards of Eni's subsidiaries was held in 2012, with an emphasis on the contributions gained by diversity in company bodies. This program will continue into 2013.

Eni's Italian subsidiaries will amend their By-laws to ensure that for three consecutive terms, starting from February 2013, the compositions of the Board of Directors and the Board of Statutory Auditors will comply with Art. 2 of Presidential Decree No. 251 of November 30, 2012, including in the case of replacement of a member. More specifically, they must ensure that the less-represented gender receives at least one-fifth of the positions of each board in the first election and one-third of the positions in the next two elections.

Shareholders' Meeting and rights ⁴⁵

The Shareholders' Meeting is the body through which shareholders may actively participate in Company life by expressing their will, in the manner and on the issues specified by the law and the Company By-laws. The Shareholders' Meeting meets on an ordinary or extraordinary basis.

The call and operation of the Meeting and the methods for exercising the rights of the shareholders are those provided for by the law and By-laws.

In particular, the Shareholders' Meeting on April 29, 2010 modified the By-laws following the introduction of Italian Legislative Decree No. 27 of January 27, 2010 (hereinafter "Legislative Decree No. 27/2010") that implemented in the Italian Legislation the so-called Shareholders' Rights Directive ⁴⁶ regarding the rights of shareholders in listed companies. On February 14, 2013, the Board of Directors amended the By-laws to bring them in line with the provisions of Legislative Decree No. 91 of June 18, 2012 ⁴⁷ (hereinafter, "Legislative Decree No. 91/2012") which modified the Legislative Decree No. 27/2010.

Responsibilities of the Shareholders' Meeting

The ordinary Shareholders' Meeting (i) approves the annual report (which, for Eni, ends at December 31st); (ii) appoints

and removes Directors ⁴⁸, and determines their number within the limits set forth in the By-laws; (iii) appoints the Statutory Auditors and the Chairman of the Board of Statutory Auditors; (iv) assigns the auditing functions, upon a proposal of the Board of Statutory Auditors; (v) determines the remuneration of the Directors and Statutory Auditors in accordance with the law; (vi) deliberates on the responsibility of the Directors and Statutory Auditors; (vii) deliberates on any other issues ascribed to it by law, as well as the authorizations required by the By-laws ⁴⁹; (viii) approves the Shareholders' Meeting rules. The extraordinary Shareholders' Meeting is called to resolve upon amendments to the By-laws and on extraordinary operations such as, for example, capital increases, mergers and demergers, excluding those matters for which the Board of Directors is responsible in accordance with Art. 23.2 of the By-laws, pursuant to Art. 2365, paragraph 2 of the Italian Civil Code, namely: (i) merger through acquisition and proportional demerger of companies in which the Company holds shares or shareholdings equivalent to 90% or more of the share capital; (ii) opening or closing of secondary offices and (iii) updating the By-laws to bring them in line with legislative changes. Specifically with regard to regulations that apply to amendments to the By-laws, Eni is subject to the ordinary legislative framework, except in those cases mentioned in the paragraph of this Report on the special power given the Italian State, to which the reader may refer.

Methods of calling the Shareholders' Meeting

Both the ordinary and extraordinary Shareholders' Meetings, pursuant to Article 16.2 of the By-laws, are normally held after more than one call. The Board of Directors may decide to hold both Shareholders' Meetings after a single call, if appropriate. In any case, the constitutive and deliberative majority specified by the law shall apply.

The Shareholders' Meeting is called by a notice published within the thirty days prior to the date of the Shareholders' Meeting at first or single call ⁵⁰, on the Company's website and in the ways set forth in the Consob regulation ⁵¹.

The notice calling the meeting, the content of which is defined by the law and the By-laws, contains all the necessary instructions on how to participate in the Shareholders' Meeting including, in particular, information on how to obtain proxy forms and vote by mail form, including via the Company's website.

In the same manner and within the same time period for publishing the notice calling the meeting, unless otherwise specified by the law, the Board of Directors issues a report to the public containing the Shareholders' Meeting agenda.

When items are contained in the agenda that, in the abstract,

[45] Information provided in accordance with Art. 123-bis, first paragraph, letters e) and l) with reference to amendments of the By-laws and second paragraph, letter c) of the Consolidated Law on Financial Intermediation.

[46] Directive 2007/36/EC of the European Parliament and Council dated July 11, 2007, on the exercise of certain rights of shareholders of listed companies.

[47] The changes introduced by Legislative Decree No. 91/2012 related to, among other things, meeting on a single call, the record date and the notice calling the meeting, are applicable to shareholders' meetings for which the notice calling the meeting is published after January 1, 2013. These changes will be described in more detail in the following paragraphs.

[48] Pursuant to Art. 18 of the By-laws: "If the Shareholders' Meeting has not appointed a Chairman, the Board shall elect one from among its members".

[49] More specifically, under Art. 16.1 of the By-laws, the ordinary Shareholders' Meeting authorizes the transfer of business.

[50] This term, in accordance with the Consolidated Law on Financial Intermediation, is moved forward to the forty days for Shareholders' Meetings called to appoint management and control bodies and is moved back to twenty-one days for Shareholders' Meetings specified in Art. 2446 (reduction of share capital due to financial losses), Art. 2447 (reduction of share capital to below the legal limit), and Art. 2487 (appointment and removal of the liquidators; criteria for the liquidation procedure) of the Italian Civil Code.

[51] Legislative Decree No. 91/2012 also allows notices calling meetings to be held after January 1, 2013 to be published in newspapers in a summary.

require different deadlines for calling the Shareholders' Meeting, the reports explaining these items are published by the deadline for publication of the notice for each of the items on the agenda.

Moreover, the By-laws state that the Board of Directors may call the Shareholders' Meeting to approve the annual report within the extended deadline of 180 days from the close of the financial year, subject to the publishing of the draft annual report approved by the Board of Directors within 120 days from the close of the financial year.

In order to ensure greater clarity for shareholders, the By-laws establish the minimum threshold – equivalent to one twentieth of the share capital – required for calling the Shareholders' Meeting on request of the shareholders, while also outlining the restrictions and methods specified by law for exercising said right⁵².

Right to attend and to vote

With regard to Shareholders' Meeting attendance, the so-called "record date" mechanism applies. This mechanism, introduced by Legislative Decree No. 27/2010, and adopted in Art. 13.2 of the By-laws, establishes that right to attend in a Meeting and vote must be certified by a statement sent by an authorized intermediary, on the basis of its accounting records, to the Company on behalf of the person entitled to vote.

This statement shall be submitted on the basis of the balances recorded at the end of the seventh trading day prior to the date of the Shareholders' Meeting. In accordance with Legislative Decree No. 91/2012, the Eni By-laws clarify that the record date is determined with reference to the date of Meeting at first call, provided that subsequent call dates are indicated in the notice at first call; otherwise, it is determined with reference to the individual meeting dates. Credit or debit records in the intermediary's accounts after this date have no effect in terms of legitimizing the exercise of voting rights in the Shareholders' Meeting.

The statements sent by the intermediary shall be received by the Company by the end of the third trading day prior to the date set for the Shareholders' Meeting, or by the date established by Consob regulation, in agreement with the Bank of Italy, without prejudice to legitimate attendance and the right to vote in the event that the certifications are received by the Company after the above mentioned deadline, provided that they are received by the Company by the start of the Shareholders' Meeting at each call.

With the By-laws amendments introduced following Legislative Decree No. 27/2010 and the Legislative Decree No. 91/2012, the Company aims to provide shareholders with additional

elements for attending the Shareholders' Meeting and exercising the right to vote.

In particular, without prejudice to the possibility of voting by mail in compliance with the law, the following provisions have been set forth in the By-laws:

- assignment of Shareholders' Meeting proxies via electronic means⁵³;
- electronic notification of the proxies, for which it has been established that the shareholder may use the appropriate section of the Company's website, in the manner set forth in the notice calling the meeting;
- attending Shareholders' Meeting by means of telecommunications systems or voting, in addition to the vote bymail-form, by electronic-form. The By-laws defers to the notice calling the meeting regarding the instructions on using these telecommunications systems.

Furthermore, the Company may designate a person (the "Designated Representative") to whom shareholders may confer proxies of charge, with voting instruction on all or part of the proposals on the agenda up until the end of the second trading day prior to the date for the Shareholders' Meeting. Lastly, in order to simplify proxy voting by shareholders who are employees of the Company and who belong to shareholders' associations that meet applicable legal requirements, the By-laws provide that Eni shall make available to these shareholders' associations locations for communications and collecting proxies, in accordance with the terms and conditions agreed with the legal representatives of said associations. To ensure that shareholders can exercise the rights established in Eni's By-laws, a special section of the Company's website is dedicated to the Shareholders' Meeting through which it is possible, among other things, to submit a question before the Shareholders' Meeting and provide electronic notification of proxies. In accordance with the provisions of Art. 83-sexies of the Consolidated Law on Financial Intermediation, the exercise of the above indicated rights is conditional upon the receipt by the Company of the certifying statement sent by an authorized intermediary, which shareholders can send directly through the Eni website.

In addition, to make it easier for shareholders to exercise their rights, the simple proxy form, used to confer a proxy to the Designated Representative, and the vote by mail-form are available in the special section on the Eni website, together with the relevant documentation.

At the Shareholders' Meetings held in 2012 (May 8th and July 16th, respectively), Eni made use of its right to appoint a Designated Representative to whom shareholders could confer proxies free of charge.

[52] Pursuant to Art. 2367 of the Italian Civil Code, shareholders may not request that a Shareholders' Meeting be called for matters which, under the law, the Shareholders' Meeting deliberates upon a proposal of the Directors or on the basis of a project or report of the Directors; apart from these cases, shareholders who request a Shareholders' Meeting be called must prepare a report on the proposals concerning the issues to be discussed and make it available to the public – together with, if any, the comments by the Board of Directors – at the time the notice calling the meeting is published, in accordance with the provisions of Art. 125-ter, third paragraph, of the Consolidated Law Financial Intermediation. In the event of a delay by the Board of Directors, the Board of Statutory Auditors will make the shareholders' report, along with its own comments – if any – available to the public.

[53] With regard to proxies conferred electronically, Legislative Decree No. 91/2012 specifies that an electronic proxy must be conferred in electronic form with a digital signature in accordance with the Digital Government Code.

Shareholders' rights and Shareholders' Meeting rules

In accordance with the law and the By-laws, Shareholders who severally or jointly represent at least one fortieth of the Company's share capital may ask for items to be added to the agenda by submitting a request within ten days of publication of the notice calling the meeting. The request, which cannot include matters upon which the Shareholders' Meeting must resolve upon a proposal of the Directors or on the basis of a project or report of the Directors, must specify the additional items proposed and must be accompanied by a report to the Board of Directors on the matters proposed for discussion. This report must be made available to the public at the Company's registered office, on the Company's website and as otherwise provided for by applicable regulations, together with evaluations – if any - expressed by the Board of Directors, at the same time as publication of the notice of the additions to the agenda and within fifteen days prior to the date of the Shareholders' Meeting.

In addition, the Eni By-laws – amended to reflect the changes introduced by Legislative Decree No. 91/2012 – provide that shareholders who jointly or severally represent the same percentage of the Company's share capital as indicated above may submit proposed resolutions on items already in the agenda in the manner and within the time period given for adding items to the agenda.

Proposed resolutions on the items in the agenda may be presented by individual shareholders entitled to vote at the Shareholders' Meeting, even if such shareholders do not meet the share capital threshold indicated above.

Additions to the agenda and proposed resolutions may also be submitted electronically, provided that the shareholder complies with any requirements indicated by the Company in the notice calling the meeting for identifying such shareholder. The efficient and orderly running of the Shareholders' Meetings and the right of each shareholder to comment on individual items on the agenda are guaranteed by the Shareholders' Meeting Rules, which were approved by the ordinary Shareholders' Meeting of December 4, 1998 and are available on the Eni website ⁵⁴.

The Board of Directors strives to ensure timely and easy access to any Company information regarded as important

for shareholders so that they may exercise their rights in an informed manner ⁵⁵. Furthermore, those entitled to vote may submit questions on matters on the agenda even before the start of the Shareholders' Meeting.

Any questions received prior to the Shareholders' Meeting shall be answered at the latest during the Meeting itself. In order to facilitate the reply process, the Company may provide a single answer to questions with similar content and is not required to reply when the requested information is already available in "question and answer" format in the appropriate section of the Company's website. An answer is deemed given during the Shareholders' Meeting when set out in the paper documents given – at the beginning of the Meeting – each attendee who is entitled to vote.

The notice calling the meeting indicates the deadline by which questions must be submitted to the Company, which cannot be more than three days prior to the Shareholders' Meeting at first or single call. If the Company indicates in the notice calling the meeting that it plans to answer questions prior to the Meeting, the deadline for receipt of questions may be more than five days prior, but the answers must be provided at least two days prior to the Meeting and must be published in the appropriate section of the Company's website.

Shareholders' Meetings are chaired by the Chairman of the Board of Directors, or in the event of his absence or impediment, by the CEO, or in their absence, by a person named by the Shareholders' Meeting. The Chairman of the Shareholders' Meeting explains the items to be discussed and conducts the Meeting to ensure a fair discussion and that shareholders have the right to comment and receive answers on each of the agenda items.

In order to stimulate the interest of shareholders and promote a greater involvement in Company life, the Company has created an interactive cartoon and a Shareholders' Guide available on its website ⁵⁶ with the aim of clearly and directly communicating information on attendance procedures and on the rights that can be exercised at Shareholders' Meeting, which are of primary importance for the Company and its shareholders. Indeed, Eni desires that its shareholders have the tools to participate in the decisions for which they are responsible and to make informed choices.

[54] Available at: http://www.eni.com/en_IT/governance/shareholder-meeting/meeting-regulation/meeting-regulation.shtml

[55] For more information, please refer to the section on "Relations with shareholders and the market".

[56] Available at: http://www.eni.com/en_IT/governance/shareholder-meeting/governance-shareholders/shareholders-initiatives/initiatives.shtml.

Board of Directors ⁵⁷



From left to right:

Francesco Taranto, Alessandro Lorenzi, Alessandro Profumo, Paolo Marchioni, Paolo Scaroni, Giuseppe Recchi, Roberto Petri, Mario Resca, Carlo Cesare Gatto.

Composition

Pursuant to Art. 17 of the By-laws, the Board of Directors is composed of no fewer than three and no more than nine members. The ordinary Shareholders' Meeting determines the number within these limits. An additional non-voting Director may be appointed by the State pursuant to Italian Law No. 474/1994, as adopted by Article 6.2, letter d) of the Company By-laws ⁵⁸. The By-laws state that non-controlling shareholders can appoint three-tenths of the total number of Directors on the Board ⁵⁹. The Shareholders' Meeting of May 5, 2011 set the number of Directors at nine and appointed the Board of Directors and Chairman of the Board to serve for three financial years until date of the Shareholders' Meeting called to approve the 2013 annual financial statements. On May 6, 2011, the Board appointed Paolo Scaroni as Chief Executive Officer of the Company. The Board is composed of Giuseppe Recchi (Chairman), Paolo Scaroni (CEO), Carlo Cesare Gatto, Alessandro Lorenzi, Paolo Marchioni, Roberto Petri, Alessandro Profumo, Mario Resca and Francesco Taranto.

Giuseppe Recchi, Paolo Scaroni, Carlo Cesare Gatto, Paolo Marchioni, Mario Resca and Roberto Petri were appointed from the slate of candidates submitted by the Ministry of the Economy and Finance, which at the time directly owned 3.93% of the share capital, and voted by the majority of the shareholders that participated in the Shareholders' Meeting (about 60% of the voting capital), equal to 33.12% of share capital.

Alessandro Profumo, Francesco Taranto, and Alessandro Lorenzi were appointed from the slate of candidates submitted by institutional investors, holding a total of 0.9% of the share capital, and voted by the non-controlling shareholders that participated in the Shareholders' Meeting (about 38% of voting capital), equal to 20.89% of share capital.

On May 6, 2011, Roberto Ulissi, the Corporate Affairs and Governance Senior Executive Vice President of the Company, was confirmed as the Company Secretary by the Board of Directors upon a proposal of the Chairman.

Below are some personal and professional profiles of the Board members elected by the Shareholders' Meeting held on May 5, 2011.



Giuseppe Recchi

Giuseppe Recchi was born in 1964 and he has been Chairman of the Board of Eni since May 2011. He is also Vice Chairman of GE Capital Interbanca SpA; member of the board of directors and the audit committee of Exor SpA; member of the European Advisory Board of Blackstone and member of the Massachusetts Institute of Technology E.I. External Advisory Board. He is also member of the Italian Corporate Governance Committee, the executive committees of Confindustria (where he chairs the Foreign Investment Committee), Assonime (Association of Italian Joint Stock Companies), Aspen Institute Italia; member of the board of directors of FEEM - Eni Enrico Mattei Foundation, the Italian Institute of Technology and of the Luiss Business School Advisory Board. He is co-Chair of the B20 Task Force on Improving Transparency and Anti-Corruption and director of the World Economic Forum Partnering Against Corruption Initiative. He graduated in Engineering at Polytechnic of Turin. In 1989 started his career as entrepreneur at Recchi SpA, a general contractor active in 25 Countries in the construction of high-tech public infrastructures. Since 1994 he served as Executive Chairman of Recchi America Inc., the U.S. branch of the Group. In 1999 he joined General Electric, where he held several managerial positions in Europe and in the USA. He served as Director of GE Capital Structure Finance Group; Managing Director for Industrial M&A and Business Development of GE EMEA; President & CEO of GE Italy. Until May 2011 he was President & CEO of GE South

[57] Information also provided pursuant to Art. 123-bis, second paragraph, letter d) of Consolidated Law on Financial Intermediation.

[58] Pursuant to Decree Law No. 21 of March 15, 2012, ratified with amended by Law No. 56 of May 11, 2012, Art. 6.2, letter d) of the Company By-laws will be repealed as incompatible with the new rules by the last ministerial regulations implementing these rules with respect to the energy, transportation and communications sectors. More for information, please see the section "Special Powers of the State (Golden Share)".

[59] Art. 4, paragraph 1-bis of Law No. 474/1994 (as amended by Legislative Decree No. 27/2010), providing that privatized listed companies apply the general framework set down in the Consolidated Law on Financial Intermediation, confirmed that at least one-fifth of the Directors must be chosen from slates submitted by non-controlling shareholders.

Europe. Giuseppe Recchi has been member of the Honorary Committee for the Rome Candidacy to the 2020 Olympic Games, member of the board of Permasteelisa SpA, Advisory Board member of Invest Industrial (private equity) and visiting professor in Structured Finance at Turin University.



Paolo Scaroni

Mr. Scaroni has been Chief Executive Officer and General Manager of Eni since June 2005. He is currently a non-executive Director of Assicurazioni Generali, non-executive Deputy Chairman of the London Stock Exchange Group and a non-executive Director of Veolia Environnement. He also sits on the Board of Overseers of Columbia Business School and the Fondazione Teatro alla Scala. After receiving a degree in economics and business from Luigi Bocconi University in Milan in 1969, he worked for three years at Chevron, before obtaining an MBA from Columbia University, New York, and continuing his career at McKinsey. In 1973 he joined Saint Gobain, where he held a series of management positions in Italy and abroad, until his appointment as head of the glass division in Paris in 1984. From 1985 to 1996 he was Deputy Chairman and CEO of Techint. In 1996 he moved to the UK and served as CEO of Pilkington until May 2002. From May 2002 to May 2005 he was CEO and Chief Operating Officer of Enel. From 2005 to July 2006 he was Chairman of Alliance Unichem. In May 2004 he was appointed Cavaliere del Lavoro of the Italian Republic. In November 2007 he was decorated as an Officer of the French Légion d'honneur.



Carlo Cesare Gatto

Mr. Gatto has been a Director of Eni since May 2011. He was born in Murazzano (Cuneo) in 1941 and graduated from the University of Turin with a degree in economics and business. He is a certified public auditor. He is currently Chairman of the Board of Statutory Auditors of RAI SpA, Natuzzi SpA, Difesa Servizi SpA and Rainet SpA; and is a Director of Arcese Trasporti SpA. He has taught courses on finance, administration and control at the Isvor Fiat SpA training institute. In 1968 he was hired by Impresit as Chief Accountant where he managed the finance department of the local branch in Jordan. He joined the Fiat Group in 1969 where, over the years, he held a series positions of increasing responsibility in the area of finance, administration and control. From 1979 to 1990 he was in charge of Financial Reporting at the Fiat Group and was also responsible for the control of the transport companies of the Fiat Group operating public transport concessions (Sapav, Sadem, Sita) and oversaw their subsequent sale. In 1990 he was appointed Joint Manager of

Finance and Control of the Fiat Group, before becoming, in 1998, Chief Administration Officer (CAO). From 2000 to 2004 he was CEO and Deputy Chairman of Business Solutions, a new sector created by Fiat to provide business services. In 1993 he was the Italian Representative to the European Commission for the fiscal harmonisation of the Member States. In 1992 he was decorated as Cavaliere Ordine al Merito and, in 1995, as Ufficiale Ordine al Merito of the Italian Republic.



Alessandro Lorenzi

Mr. Lorenzi has been a Director of Eni since May 2011. He was born in Turin in 1948. He is currently a founding partner of Tokos Srl, a securities investment consulting firm, the Chairman of Società Metropolitana Acque Torino SpA and a Director of Ersel SIM SpA, Millbo SpA and Sicme Motori Srl. He began his career at SAIAG SpA, in the Administration and Control area. In 1975 he joined Fiat Iveco SpA where he held a series of positions: Controller of Fiat V.I. SpA, Head of Administration, Finance and Control and Head of Human Resources of Orlandi SpA in Modena (1977-1980) and Project Manager (1981-1982). In 1983 he joined the GFT Group where he was: Head of Administration, Finance and Control of Cidat SpA, a GFT SpA subsidiary (1983-1984), Central Controller of the GFT Group (1984-1988), Head of Finance and Control of GFT Group (1989-1994) and Managing Director of GFT SpA, with ordinary and extraordinary powers over all operating activities (1994-1995). In 1995 he was appointed CEO of SCI SpA, where he oversaw the restructuring process. In 1998 he was appointed Central Manager, and subsequently Director of Ersel SIM SpA until June 2000. In 2000 he became Central Manager of Planning and Control at the Ferrero Group and General Manager of Soremartec, the technical research and marketing company of the Ferrero Group. In May 2003 he was appointed CFO of the Coin Group. In 2006 he became Central Corporate Manager at Lavazza SpA, and served as a member of the Board of Directors from 2008 to June 2011.



Paolo Marchioni

Mr. Marchioni has been a Director of Eni since June 2008. He was born in Verbania in 1969 and is a lawyer specialising in criminal and administrative law and admitted to argue before the Supreme Court and the higher Courts. He has been Chairman of the Board of Directors of Finpiemonte Partecipazioni SpA since August 2010. He serves as a consultant to government agencies and business organisations on business, corporate, administrative and local government law. He was mayor of Baveno (Verbania)

from April 1995 to June 2004 and Chairman of the Assembly of Mayors of Con.Ser.Vco from September 1995 to June 1999. Until June 2004 he was a member of the Assembly of Mayors of the Asl 14 health authority, the steering committee of the Verbania health district, the Assembly of Mayors of the Valle Ossola waste water consortium, the Assembly of Mayors of the Verbania social services consortium. From April 2005 to January 2008 he was a member of the Stresa (VB) city council. From October 2001 to April 2004 he was a Director of CIM SpA of Novara (merchandise interport center) and from December 2002 to December 2005, a Director and executive committee member of Finpiemonte SpA. From June 2005 to June 2008 he was a Director of Consip SpA. He was Vice-President and Provincial Councilor in charge of the budget, property, legal affairs and productive activities of the Province of Verbano - Cusio - Ossola from June 2009 to October 2011. He was a Director of the Provincial Board of the Province of Verbano - Cusio - Ossola From October 2011 to November 2012.



Roberto Petri

Mr. Petri has been a Director of Eni since May 2011. He was born in Pescara in 1949 and graduated with a degree in law from "Gabriele D'Annunzio" University of Chieti and Pescara. He has been a member of the Board of Directors of the Ravenna Festival since 2007 and he has been Chairman of Italmobiliari Srl since 2011. In 1976 he was hired by Banca Nazionale del Lavoro (BNL) where he held a series of positions: Head of the "Lending Advisory" of BNL in Busto Arsizio (1982), Deputy Manager for the industrial division at the BNL branch in Ravenna (1983-1987), Area Chief of BNL in Venice (1987-1989) and Joint Manager of the central office of BNL in Rome (1989-1990). In 1990 he was appointed Commercial Manager at Banca Popolare and in 1994 he transferred, holding the same position, to Cassa di Risparmio di Ravenna Group (Carisp Ravenna and Banca di Imola). From 2001 to 2006 he was Chief Secretary to the Under-Secretary of Defence, where he was mainly involved in the Defence Ministry's contacts with industry and international relations. From 2008 to 2011 he was Chief Secretary of the Minister of Defence. From 2003 to 2006 he was a Director of Fintecna SpA and from 2005 to 2008 a Director of Finmeccanica SpA.



Alessandro Profumo

Mr. Profumo has been a Director of Eni since May 2011. He was born in Genoa in 1957 and received a degree in business administration from Luigi Bocconi University of Milan. He is currently Chairman of Banca Monte dei Paschi di Siena, of Appeal

Strategy & Finance Srl and a member of the Supervisory Board of Sberbank. He is also member of the Board of Directors of Bocconi University in Milan. He began his career in 1977 at the Banco Lariano, becoming Branch Manager in Milan. In 1987 he joined McKinsey where he was a Project Manager in the strategy area for the finance sector. In 1989 he was appointed Head of relations with financial institutions and integrated development projects at Bain, Cuneo e Associati firm (now Bain & Company). In 1991 he left the consulting field to join RAS - Riunione Adriatica di Sicurtà, where he was given responsibility, as Central Manager, for the banking and parabanking sectors. He was also in charge of expanding the revenues of that group's bank and of the distribution and management companies operating in the field of asset management. In 1994 he joined Credito Italiano as Joint Central Manager, with responsibility for programming and control, becoming General Manager in 1995. In 1997 he was appointed CEO of Credito Italiano and subsequently of Unicredit, a position he held until September 2010. On an international level, he was Chairman of the European Banking Federation (Brussels) and Chairman of the International Monetary Conference in Washington. In May 2004 he was decorated as Cavaliere del Lavoro of the Italian Republic.



Mario Resca

Mr. Resca has been a Director of Eni since May 2002. He was born in Ferrara in 1945 and graduated from Luigi Bocconi University of Milan with a degree in Economics and Business. He is Chairman of Confindustria, deputy Chairman of Sesto Immobiliare SpA and a Director of Mondadori SpA. After graduation he joined Chase Manhattan Bank. In 1974 he was appointed Manager of Saifi Finanziaria (Fiat Group) and from 1976 to 1991 he was a partner at Egon Zehnder. During this period he was appointed a Director of Lancôme Italia and of companies belonging to the RCS Corriere della Sera Group and the Versace Group. From 1995 to 2007 he was Chairman and CEO of McDonald's Italia. He was also Chairman of Sambonet SpA and Kenwood Italia SpA, a founding partner of Eric Salmon & Partners, Chairman of the American Chamber of Commerce, General Director of Italian Heritage and Antiquities at the Ministry of Cultural Heritage and Activities and Chairman of the Convention Bureau Italia SpA. He was decorated as Cavaliere del Lavoro in June 2002.



Francesco Taranto

Mr. Taranto has been a Director of Eni since June 2008. He was born in Genoa in 1940. He is currently Deputy Chairman of Banca CR Firenze SpA (Cassa di Risparmio di Firenze SpA)

and is a Director and member of the executive committee of Rimorchiatori riuniti SpA. He began his career in a stock brokerage in Milan in 1959. From 1965 to 1982, he worked at Banco di Napoli as Deputy Manager of the stock market and securities department. He held a series of management positions in the asset management field, notably as Manager of securities funds at Eurogest from 1982 to 1984, and General Manager of Interbancaria Gestioni from 1984 to 1987. After moving to the Prime group (1987 to 2000), he was CEO of the parent company for an extended period of time. He was also a Director of ERSEL S.I.M., a member of the steering council of Assogestioni and of the Committee for the Corporate Governance of listed companies formed by Borsa Italiana. He was a Director of Enel from October 2000 to June 2008.

Appointment⁶⁰

To ensure that non-controlling shareholders are represented on the Board, Directors are appointed on a slate voting system. This system has been set out in the Company By-laws since 1994, in compliance with the special rules that apply to the Company itself. In particular, Art. 4 of Law No. 474/1994 specifies that members of management and control bodies are appointed using a slate system and governs the procedure for calling the Shareholders' Meeting and publishing the slates, the percentage of share capital required for submitting slates and the number of Board members allotted to the non-controlling shareholders. The rule, however, which was amended by Legislative Decree No. 27/2010, with the introduction of paragraph 1-bis of Article 4, states that during Shareholders' Meetings called after October 31, 2010, the procedure for appointing members of the Company bodies must comply with the provisions established for all listed companies, with the exception of the number of Board of Directors members allotted to non-controlling shareholders⁶¹. Therefore, pursuant to Article 17 of the By-laws, which was appropriately amended to comply with the above-mentioned decree⁶², slates of candidates may be submitted by shareholders⁶³ who severally or jointly represent at least 1% of Eni's share capital or any other threshold established by Consob regulations. With its resolution dated January 26, 2011, confirmed by resolution of January 25, 2012 and January 30, 2013, Consob set the threshold for Eni at 0.5% of the share capital.

Ownership of the minimum holding needed to submit slates shall be determined with regard to shares registered to the shareholder on the date on which the slates are filed with the Company, without considering any subsequent transfer of the shares. Each shareholder may only submit (or contribute towards submitting) and vote for a single slate.

Controlling persons, subsidiaries and companies under common control may not submit or participate in the submission of other

slates, nor can they vote on them, either directly or through nominees or trustees.

Slates must list candidates in numerical order and expressly indicate those who fulfil the independence requirements specified by the law and By-laws. They are filed with the Company's registered office at least twenty-five days prior to the date of the Shareholders' Meeting convened to appoint the members of the Board of Directors, and are made available to the public on Company's registered office, on its website and in any other manner established in the law⁶⁴ and by Consob regulations at least twenty-one days prior to the same meeting date. Slates of candidates are also communicated to Borsa Italiana SpA. All candidates must satisfy the integrity requirements established by applicable law. Together with the filing of each slate, on penalty of inadmissibility, the following shall also be filed: the curriculum vitae of each candidate, statements of each candidate accepting his nomination and affirming the absence of any grounds making him ineligible or incompatible for such position and that he satisfies the requirements of integrity and independence required by the law and the By-laws.

Slates must also specify the identity of the shareholders who submitted them, indicating the percentage of the share capital held⁶⁵. Once the voting formalities are satisfied, seven-tenths of the Directors to be elected are drawn from the slate that receives the most votes of the shareholders, rounded off in the event of a decimal number to the next lowest whole number, in the order that they appear on the slate. The remaining Directors are drawn from the other slates, which shall not be connected in any way, directly or indirectly, to the shareholders who have submitted or voted the slate that receives the largest number of votes⁶⁶.

The slate voting procedure shall apply only to the election of the entire Board of Directors. To appoint Directors who – for any reason – were not appointed using this procedure, the Shareholders' Meeting shall resolve, with the required legal majorities, so as to ensure that the composition of the Board of Director is compliant with the law and the By-laws.

In accordance with Article 6, second paragraph 2, letter d) of the By-laws, in addition to Directors appointed by the Shareholders' Meeting, the Minister for the Economy and Finance, in agreement with the Minister for Economic Development, may also appoint a non-voting Director. This right has not been exercised⁶⁷.

With regard to gender balance, in accordance with Law No. 120/2011, as adopted in the Eni By-laws, starting with the first election of the Board after August 12, 2012, the less-represented gender must receive at least one-fifth of the Director positions in the first election and one-third of the positions in the next two elections⁶⁸.

(60) Information also provided in accordance with Art. 123-bis, first paragraph, letter l) of the Consolidated Law on Financial Intermediation.

(61) Article 4, paragraph 1-bis, of Law No. 474/1994 confirms that at least one-fifth of the Directors with voting right (rounded up) must be allotted to slates submitted by non-controlling shareholders.

(62) The Shareholders' Meeting of April 29, 2010 and the Board of Directors of June 3, 2010 aligned the By-laws to the new regulations.

(63) Pursuant to Art. 12.3 of the By-laws, the Board of Directors may submit a slate of candidates.

(64) In accordance with Art. 147-ter of the Consolidated Law on Financial Intermediation, amended by Legislative Decree No. 91/2012, and adopted in the Eni By-laws, slates may also be filed with the Company by means of remote communication, in compliance with any requirements indicated by the Company in the notice calling the meeting that are strictly required to identify the submitters.

(65) In addition, in the case of slates filed via distance communication methods, the requirements for confirming the identity of the submitters as specified in the notice calling the meeting must be satisfied.

(66) The criteria for connection are set out in Art. 144-quinquies of the Consob Issuers' Regulation.

(67) For more information, please see the section "Special powers reserved to the State (Golden Share)".

(68) For more information, please see the section "Gender balance in corporate board composition and initiatives to ensure diversity".

Succession plan for Executive Director and key personnel

With regard to succession plans for executive Directors, the Board of Directors assigned the Nomination Committee the responsibility of formulating a proposal on the succession plan for CEO to be submitted to the Board, where possible and appropriate in relation to the Company's shareholding structure.

As of the date of approval of this Report, the Committee has not proposed a succession plan for the CEO of Eni given the nature of the Company's shareholding structure.

At its meeting of February 14, 2012, the Nomination Committee approved a new methodology for the process of developing succession plans for those positions that Eni's Board of Directors is responsible for appointing, as well as key personnel who are stable members of Eni's Management Committee.

The methodology comprises the following phases:

- the analytical description of the contents of each position, particularly with respect to the areas of responsibility, any changes in the position expected in the short term, the management experience and skills required to fully perform the position;
- the evaluation of the current position holder and potential successors performed with the assistance of leading industry consultants;
- the establishment of the "succession table" containing the names of potential successors and plans for their development;
- the evaluation of the overall risk related to the making such theorized replacements.

At its September 20, 2012 meeting, the Nomination Committee reviewed the results of applying this methodology to management positions pertaining to the Committee itself and the primary effects overall and for the individual position. During the meeting, the Committee also received a description – overall and for the individual positions – of the business risk-assessment associated with effectively making the substitutions contemplated.

To ensure continuity in the development process of persons with management positions in Eni, use of this methodology was extended to upper-level positions in the Divisions and subsidiaries (around 140 key positions) using the same approach and reference model, which can be deemed a best practice in the market today.

For Eni, having structured succession plans for key positions is very important for decision making involving the mobility and development of management personnel whether there is continuity or strong discontinuity in the reference environment.

Independence requirements

The Consolidated Law on Financial Intermediation establishes that at least one Director, or two if the Board is comprised on more than seven members, must satisfy the independence requirements for Statutory Auditors of listed companies as set out in Art. 148, third paragraph of that law, as well as any other requirements set out in codes of conduct if the By-laws so provide.

Article 17.3 of Eni's By-laws improve on this existing law by

establishing that at least one Director, if there are no more than five Directors, or at least three Directors, if there are more than five, shall satisfy the independence requirements above mentioned. The same article of Eni's By-Laws also provides for an additional mechanism to the ordinary election system for ensuring that the requirement of a minimum number of independent Directors is satisfied. By these provisions, Eni seeks to strengthen the presence of independent Directors on its Board.

Article 3 of the Corporate Governance Code also recommends that an adequate number of non-executive Directors be independent, meaning that they do not maintain nor have they recently maintained, directly or indirectly, any business relationships with the issuer or persons linked to the issuer of such a significance as to influence their autonomous judgement. The number and competences of independent Directors must be adequate in relation to the size of the Board of Directors and the activity performed by the issuer and they must be such as to enable the establishment of committees within the Board, in accordance with the guidelines set out in the Corporate Governance Code. As for issuers belonging to the FTSE-Mib index, like Eni, at least one-third of the Board members must be independent Directors, rounded down in the event of a decimal number to the next lowest whole number. In any event, there shall be no fewer than two independent Directors.

As to these requirements, Eni has further specified three points of the Corporate Governance Code:

- "subsidiaries of strategic importance" in which the Director may have been a leading figure are identified on the basis of an assessment by the Board of Directors ⁶⁹;
- the amount of "additional remuneration" that could compromise the independence of a non-executive Director has been established in the amount of 30% of the "fixed remuneration" ⁷⁰;
- "close relative" was defined to include spouse, relatives and relatives-in-law within second degree of kinship ⁷¹.

These specifications have been in place at Eni since 2006 when the previous Corporate Governance Code was adopted.

The Board of Directors assesses the independence of Directors, upon the prior investigation of the Nomination Committee, based on the criteria established by the Consolidated Law on Financial Intermediation and on the requirements set forth in the Corporate Governance Code.

Following appointment and periodically, the non-executive Directors must provide statements that they satisfy the independent requirements and the Board assesses the independence of these Directors, taking accounting of all the above criteria and prioritizing substance over form, as required by the Corporate Governance Code. The Board also evaluates the independence of Directors when circumstances arise that could affect their independence. The Nomination Committee is responsible for investigation connected with the Board's verification that the Directors satisfy the independence requirements.

[69] Article 3.C.1 letter b) of the Corporate Governance Code.

[70] Article 3.C.1 letter d) of the Corporate Governance Code.

[71] Article 3.C.1 letter h) of the Corporate Governance Code.

At its meetings of May 6, 2011, following appointment, and of February 14, 2012 (after investigation by the Nomination Committee), the Board of Directors – on the basis of the statements made and the information available to the Company – confirmed that the non-executive Directors Gatto, Lorenzi, Marchioni, Petri, Profumo, Resca and Taranto are independent pursuant to the law, to the By-laws and to the Eni Corporate Governance Code in force at that time ⁷².

Director Resca was confirmed as independent, even under the Eni Corporate Governance Code, although he has held the position for more than nine of the last twelve years ⁷³, on account of his proven independence of judgment. With reference to the marital relationship between Director Profumo and an employee of the Company, the Board believes that this relationship does not compromise in any way his independence as defined by Corporate Governance Code, in consideration of his ethical and professional integrity and his international reputation.

It has also decided that the position held by Director Gatto as Chairman of the Board of the Statutory Auditors of RAI SpA, a company along with Eni under the common control of the Ministry of the Economy and Finance, does not compromise his independence since he performs his duties in the Board of Statutory Auditor, which by its nature is independent, and because RAI is subject to special legal rules which limit the control power exercised by the Ministry over that company. Subsequent to the evaluation of February 14, 2012, the Nomination Committee, following the provisions contained in the new edition of the Corporate Governance Code, which recommends that the Board evaluate the independence of Directors upon the occurrence of relevant circumstances (Art. 3.C.4), once again reviewed the independence of Director Profumo at its meetings of September 20 and October 18, 2012 since he was appointed Chairman of the Board of Directors of Banca Monte dei Paschi di Siena, a bank with which Eni has financial dealings, on April 27, 2012. Once it obtained documentation on existing financial relationships with the bank and other available supporting information, the Committee determined ⁷⁴ that the business dealings between Eni and the bank were not such as to compromise the independence of Director Profumo. Based on the investigation performed by the Committee, the Board confirmed this determination of Director Profumo's independence.

On February 14, 2013, the Board, upon the prior investigation performed by the Nomination Committee, confirmed the previous evaluations on the independence also with regards to the Directors Resca and Profumo for the reasons already given. It also confirmed the independence of Director Gatto with regard to this position as Chairman of the Board of Statutory Auditors of Rainet SpA, a wholly-owned subsidiary of RAI SpA, a company of which he is also Chairman of the Board of Statutory Auditors. The Board of Directors confirmed his independence despite his appointment to Rainet SpA for the same reasons it

found him independent following his appointment as Chairman of the Board of Statutory auditors of RAI SpA.

The Board of Statutory Auditors has always verified the proper application of the criteria and procedures adopted by the Board in assessing the independence of its members.

After appointment, the results of the assessments of the Board were communicated to the market. The assessments of the Board carried out on February 14, 2013 are provided in tables enclosed with this Report.

For information on the appointment of the Lead Independent Director, please refer to the section "The Corporate Governance Code of listed companies of December 2011, which Eni has adopted".

Integrity requirements, reasons for ineligibility and incompatibility

The Consolidated Law on Financial Intermediation specifies that individuals who perform management and administration functions in listed companies must fulfil the integrity requirements established for members of control bodies provided for by the Minister of Justice regulation issued pursuant to Article 148 of the Consolidated Law on Financial Intermediation ⁷⁵.

Art. 17.3 of the By-laws, in transposing this provision, establishes that all candidates for the position of Director must fulfil the integrity requirements specified in current regulations. In addition, the Directors are required to fulfil additional specific requirements established by the special rules applicable to them. The same provision of the By-Laws also requires the Board to periodically evaluate the independence and integrity of Directors and ascertain the absence of circumstances that would render them ineligible or incompatible.

Also pursuant to Art. 17.3 of the By-laws, if a Director does not or no longer satisfies the independence and integrity requirements declared by him and required by the law or if circumstances arise that render him ineligible or incompatible, the Board shall declare the Director disqualified and replace him, or shall invite him to rectify the circumstances rendering him incompatible by a deadline set by the Board itself, on penalty of disqualification.

The appointed Directors must notify the Company if they should no longer satisfy the independence and integrity requirements or if cause for ineligibility or incompatibility should arise.

Following appointment and on a regular basis, the Directors are required to issue statements that they continue to satisfy the integrity requirements under applicable law and the Board verifies that the integrity requirements have been satisfied, in accordance with current regulations.

The Nomination Committee is responsible for enquiries connected with the periodic verification that the Directors satisfy the integrity requirements and the absence of circumstances that would render them ineligible or incompatible.

[72] Although the Chairman of the Board of Directors is a non-executive Director, according to the Corporate Governance Code the Chairman must be considered as "significant representative" of the Company (Art.3.C.2 of the Corporate Governance Code).

[73] Director Resca was first appointed in 2002.

[74] In the absence of the Director involved.

[75] Ministerial Order No. 162 of March 30, 2000.

At its meetings of May 6, 2011 and February 14, 2012 and, mostly recently, after investigation by the Nomination Committee, at its February 14, 2013 meeting, the Board of Directors – on the basis of the statements made and the information available to the Company – verified that the integrity requirements have been satisfied and that there are no circumstances rendering any of the Directors ineligible or incompatible, including with regard to any Eni holdings in financial, banking and/or insurance companies.

Policy of the Board of Directors on the maximum number of offices held by its members in other companies

With its resolution of May 6, 2011 (confirming the policy established by the previous Board), the Board of Directors specified the general criteria for determining the maximum number of management and control offices that can be held by its members in other companies that are compatible with effective performance of their role as Director of Eni.

At its meeting of October 29, 2012, following the adoption of the new Corporate Governance Code, the Board, acting on the proposal of the Nomination Committee, confirmed its previous policy and introduced a prohibition of cross-directorships⁷⁶ by which “the chief executive officer of issuer (A) shall not be appointed director of another issuer (B) not belonging to the same group, in the event that the chief executive officer of issuer (B) is a director of issuer (A)”.

Therefore, following these changes of October 29, 2012, the Board resolved that:

- an executive Director should not hold: (i) the office of executive director in any other listed company, whether Italian or foreign, or in any financial⁷⁷, banking or insurance company or in a company with shareholders' equity exceeding €10 billion; (ii) the office of non-executive director or statutory auditor (or member of another controlling body) in more than three of the aforesaid companies; and (iii) the office of non-executive director in another issuer of which a Director of Eni is an executive director.
- a non-executive Director, in addition to the office held in Eni, should not hold the office of: (i) executive director in more than one of the aforesaid companies and non-executive director or statutory auditor (or member of another controlling body) in more than three of the such companies; (ii) non-executive director or statutory auditor in more than six of such companies; (iii) executive director of another issuer of which an executive Director of Eni is a non-executive director.

The limit on multiple offices excludes offices held in Eni Group companies.

If these limits are exceeded, the Director will promptly inform the Board, which will assess the situation in light of the interests of the Company and will call upon the Director to take action in accordance with its decision.

In any case, before taking up the office of director or statutory auditor (or member of another controlling body) in another company that is not a direct or indirect subsidiary or associated company of Eni, the executive Director shall inform the Board of Directors, which will evaluate the compatibility of the office with the functions attributed to the executive Director and with the interests of Eni. The rules applicable to executive Directors also apply to Chief Operating Officers, with the exception of the prohibitions on cross-directorships.

The Board of Directors, following appointment and periodically, verifies that the Directors have complied with the aforementioned limits on multiple offices. It most recently verified the compliance of the Directors, after investigation by the Nomination Committee, on the basis of information provided, at its meeting of February 14, 2013.

Detailed information on the number of offices held by Board members with reference to the resolution of February 14, 2013 is available in the table enclosed with this Report.

Powers

The Board of Directors has been granted the broadest powers for the ordinary and extraordinary administration of the Company to pursue its purpose.

On May 6, 2011, the Board of Directors appointed Paolo Scaroni⁷⁸, as Chief Executive Officer and General Manager, entrusting him with the widest powers for the ordinary and extraordinary administration of the Company, while exclusively reserving to itself the most important strategic, operational and organizational powers, in addition to those that cannot be delegated by law. These powers specify the role of the management body under the Eni Corporate Governance Code. More specifically, the Board:

1. Defines the system and rules of corporate governance for the Company and the Group. Specifically, after consulting with the Internal Control Committee⁷⁹, it adopts rules on the transparency and the substantive and procedural fairness of transactions with related parties and those in which a Director holds a personal interest or an interest on behalf of third parties. It also adopts a procedure for handling and disclosing Company information, particularly inside information.
2. Establishes the Board's internal committees, which provide recommendations and advice, and appoints their members, determines their duties and compensation and approves their rules of procedure.
3. Delegates and revokes powers to/from the Chief Executive Officer and the Chairman, establishing the limits and methods for exercising these powers and determining, after examining the proposals of the relative Committee and consulting with the Board of Statutory Auditors, the compensation connected with these duties. The Board may impart directives to the

[76] Art. 2.C.5 of the Corporate Governance Code. The Board, with these changes made on October 29, 2012, therefore planned to immediately apply the Code recommendations, which the Code itself stated could be postponed until the first Board election after 2011, in accordance with Eni's decision to immediately implement all the new recommendations concerning Board and Committee composition. As required by the Corporate Governance Code, the resolution of October 29, 2012, took into account the participation of Directors on Board committees.

[77] For the purposes of assessing the number of offices held, financial companies are those companies defined under Art. 106 of Legislative Decree No. 385/1993 (Consolidated Law on Banking) and companies that provide investment or collective portfolio management activities or services pursuant to the Consolidated Law on Financial Intermediation.

[78] Paolo Scaroni was first appointed CEO of the Company on June 1, 2005.

[79] Now the Control and Risk Committee.

- delegated bodies and itself undertake any operations falling within the delegated powers.
4. Establishes the basic guidelines for the organizational, administrative and accounting structure of the Company (including the internal control system), its main subsidiaries and the Group as a whole. It evaluates the adequacy of the organizational, administrative and accounting structure put in place by the Chief Executive Officer, particularly in relation to procedures for managing conflicts of interest.
 5. After examining the proposals of the Internal Control Committee⁸⁰, it establishes the guidelines for the internal control system to ensure that the main risks to the Company and its subsidiaries are identified, measured, managed and monitored. On an annual basis, it evaluates the adequacy, effectiveness and actual functioning of the internal control system, which is overseen by the Chief Executive Officer.
 6. Defines, based upon a proposal of the CEO, the strategic guidelines and objectives of the Company and the Group, including Sustainability policies. It examines and approves the strategic, industrial and financial plans of the Company and the Group as well as agreements of a strategic nature for the Company. It examines and approves the plan for the Company's non-profit activities and approves operations not included in the plan whose cost exceeds €500 thousand, provided that reports on operations not included in the plan and not subject to Board approval are periodically made to the Board, in accordance with paragraph 9 below.
 7. Examines and approves the annual budgets of the Divisions and the Company as well as the consolidated budget of the Group.
 8. Examines and approves the semi-annual and quarterly financial reports of the Company and the Group in accordance with applicable regulations. It reviews and approves the Sustainability Report to be presented to the Shareholders' Meeting.
 9. Receives reports from Directors with delegated powers at Board meetings, or on at least a bi-monthly basis, on actions taken in exercising their delegated powers, as well as on Group activities and on atypical or unusual transactions or related-party transactions that have not been submitted to the Board for examination and approval. More specifically, it receives a semi-annual report explaining any changes in investment transactions previously approved by the Board, in accordance with points 12 letter b) and 12 letter c) below, on the basis of guidelines established by the Board itself.
 10. Receives a semi-annual report from the Board's internal committees.
 11. Assesses general trends in the operations of the Company and the Group on the basis of information received from Directors with delegated powers, paying particular attention to conflicts of interest and comparing results – as reported in the annual financial statements and interim financial reports – with budget forecasts.
 12. Evaluates and approves any transaction executed by the Company and its subsidiaries that has a significant impact on the Company's strategy, performance and financial position. Particular attention is paid to situations in which Board members hold an interest on their own behalf or on behalf of third parties, and to related-party transactions⁸¹. The Board ensures compliance with the principle of operational autonomy with specific regard to the listed companies of the Eni Group and companies subject to unbundling regulations. It also ensures the confidentiality of transactions between said subsidiaries and Eni or third parties for the protection of the subsidiaries' interests. Transactions with a significant impact include the following:
 - a) acquisition and disposal of equity investments, companies or business units, mineral and property rights, transfers of assets, mergers, demergers and liquidations of companies exceeding €100 million, without prejudice to Art. 23.2 of the By-laws;
 - b) investments in fixed assets exceeding €300 million, or less if of particular strategic importance or are exposed to particular risk;
 - c) any exploration initiatives and portfolio operations in the E&P sector in new Countries;
 - d) sale and purchase contracts relating to goods and services other than investments and gas supplies with a total price exceeding €1 billion – except for the ordinary business operations – or of a duration exceeding twenty years; gas supply contracts, or modifications to such contracts, in the amount of at least 3 billion cubic metres per year and with a ten-year duration;
 - e) financing granted to entities other than subsidiaries: (i) for amounts exceeding €200 million, if the amount is proportionate to the interest held or, (ii) in any case, if in favour of unrelated companies or the amount is not proportionate to the interest held;
 - f) issuing by the Company of unsecured and secured guarantees to entities other than subsidiaries: (i) for amounts exceeding €200 million, if in the interest of the Company or of Eni subsidiaries or non-controlled companies, as long as the guarantee is proportionate to the interest held, or (ii) in any case, if the guarantees are issued in the interest of non-controlled companies and the amount is not proportionate to the interest held. The Board delegates joint power to the Chief Executive Officer and the Chairman to issue guarantees referred to in point (i) if the amount is between €100 million and €200 million;
 - g) Eni SpA intermediation agreements.
 13. Appoints and removes – acting upon a proposal of the CEO and in agreement with the Chairman – the Chief Operating Officers and grants their associated powers. In the case of appointment of the CEO as General Manager, the proposal is made by the Chairman.
 14. Appoints and removes – acting upon a proposal of the

[80] See note No. 79.

[81] With respect to transactions with interested Directors and Statutory Auditors and to transactions with related parties, the responsibilities of the Board of Directors are set out in the procedure adopted by the Board on November 18, 2010, and subsequently modified on January 19, 2012; please refer to the relevant paragraph of this Report.

Chief Executive Officer, in agreement with the Chairman and with the approval of the Board of Statutory Auditors – the officer in charge of preparing financial reports, and ensures that he has adequate powers and means to carry out his tasks, as ascribed him by the law, as well as on the actual observance of the administrative and accounting procedures formulated by this Officer.

15. Appoints and removes – acting upon a proposal of the Chief Executive Officer, in agreement with the Chairman and following consultation with the Internal Control Committee⁸² – an officer in charge of internal control and a Senior Executive Vice President of Internal Audit, in addition to defining their remuneration in accordance with the Company's compensation policies, as well as approving the guidelines for the activities of these two officers.
16. Ensures the designation of a manager responsible for shareholder relations.
17. Defines – after having examined the proposals of the relative Committee – the criteria for remunerating the senior executives of the Company and of the Group in addition to implementing compensation plans based on shares or other financial instruments approved by the Shareholders' Meeting.
18. Decides – acting upon a proposal of the Chief Executive Officer – on the exercise of voting rights and on the appointment of members of corporate bodies of the main subsidiaries. In the case of listed companies, the Board must guarantee compliance with the provisions of the Corporate Governance Code that fall under the competence of the Shareholders' Meeting.
19. Formulates proposals to present to the Shareholders' Meeting.
20. Examines and decides on other issues that Directors with delegated powers believe should be presented to the Board due to their particular importance or sensitivity.

In accordance with Art. 23.2 of the By-laws, the Board also decides upon: mergers and proportional spin-offs of companies in which the Company's shareholding exceeds 90%; the establishment and closing of branches; and the amendment of the By-laws to comply with the provisions of law. During the financial year, the Board may also resolve to distribute interim dividends, as allowed by Art. 29.3 of the By-laws.

In the meeting held on May 6, 2011, the Board delegated powers to the Chairman, Giuseppe Recchi, to allow him to identify and promote integrated projects and international agreements of a strategic nature, in accordance with Art. 24.1 of the By-laws. Pursuant to Art. 27 of the By-laws, the Chairman chairs the Shareholders' Meeting, convenes and chairs meetings of the Board of Directors and verifies that resolutions

passed by the Board are implemented.

Also at that meeting, the Board designated Saipem SpA, Snam SpA⁸³, Eni International BV and Polimeri Europa SpA⁸⁴ as strategically important subsidiaries, for the purposes of the approval of those transactions covered by paragraph 12 above. At its January 17, 2013 meeting, the Board of Directors evaluated adequate the organizational, administrative and accounting structure of the Company, its major subsidiaries and the Group, established by the CEO.

On March 14, 2013, the Board of Directors, on the bases of the reports of the officer in charge of preparing financial reports and of the Control and Risk Committee and having received the opinion of this Committee, evaluated as positive: (i) the adequacy of the internal control and risk management system of Eni, of the strategically important subsidiaries and of the Group, taking account of the characteristics of the Company and its risk profile, as well as its effectiveness; (ii) the adequacy of the powers of and tools available to the officer in charge of preparing financial reports, as well as the observance of the administrative and accounting procedures formulated by this Officer.

As the meeting of February 14, 2013, the Board carried out a self-assessment of its composition and operation⁸⁵.

In the meeting held on November 18, 2010, the Board – with the favourable and unanimous opinion of the Internal Control Committee (now the Control and Risk Committee) – approved the procedure (Management System Guideline - MSG) regarding "Transactions involving the interests of Directors and Statutory Auditors and transactions with related parties"⁸⁶, subsequently modified at the meeting of January 19, 2012⁸⁷. On October 29, 2012, the Board of Directors, upon the proposal of the CEO and upon the prior opinion of the Control and Risk Committee, approved the new Management System Guideline "Market Abuse" which sets out the principles of conduct for ensuring the confidentiality of business information in general (as recommended by Art. 1.C.1, letter j) of the Corporate Governance Code), consolidating the three previous sets of rules in this field into a single instrument with the aim of further improving the Company's procedures to prevent market abuse. Finally, in 2012, the updating of the Board's Corporate Governance Guidelines of April 24, 2009 (which Eni follows in its role as shareholder) has begun for the purpose of aligning them with the best practices and corporate changes occurred.

Meetings and running of meetings

At the meeting held on May 6, 2011, the Board of Directors approved the rules confirming those established previously, that set out the procedures for calling and running its meetings. In particular, Board meetings are called by the Chairman who, in agreement with the CEO, determines the agenda and sends it

[82] See note No. 79.

[83] As from October 15, 2012 Snam SpA is no longer a subsidiary of Eni.

[84] In May 2012, the company changed its name to Versalis SpA.

[85] For more information, please refer to the relevant paragraph of this Report.

[86] This MSG replaces the previous rules adopted by the Board of Directors on February 12, 2009.

[87] At its January 17, 2013 meeting, the Board of Directors, on the bases of the favorable opinion of the Control and Risk Committee, performed its second annual review of the MSG, taking into account information gathered on the matter, decided that no further changes to the MSG were needed. For more information, please see the relevant paragraph of this Report. The full text of the MSG can be found in the "Governance" section of the Eni website.

at least five days prior to the scheduled date of the meeting to the Directors, standing Statutory Auditors and the Magistrate of the Court of Auditors appointed to monitor the financial management accounts of Eni.

When necessary and urgent, the notice calling the meeting may be sent at least 12 hours in advance of the scheduled meeting time. The By-laws allow Board meetings to be held via videoconferencing and teleconferencing, and these procedures are specifically governed in the rules.

Normally, at the same time the notice calling the meeting is sent and, in any case, no less than three days prior to the date of the meeting, any documentation relating to the items on the agenda is made available, with the assistance of the Board Secretary, to the Directors, standing Statutory Auditors and the Magistrate of the Court of Auditors, with the exception of price-sensitive information which is not subject to prior communication.

Managers of the Company and of its subsidiaries are normally invited to attend Board meetings to provide information on matters on the agenda⁸⁸. Specific information is also provided on individual sectors in which the Company and the Group operate. In accordance with the provisions of Art. 2391 of the Italian Civil Code, of the Corporate Governance Code and of the MSG regarding "Transactions involving interests of Directors and Statutory Auditors and transactions with related parties"⁸⁹, before each item on the Board meeting's agenda is discussed, each Director is required to disclose whether he holds any personal interest or interest on behalf of third-parties in relation to the matters or issues to be discussed, clarifying their nature, terms, origin and extent.

During 2012, the Board of Directors met 16 times, each meeting lasting an average of 3 hours, and with an average participation rate of 97% of the Directors and, more specifically, 96.5% of the independent Directors. In addition, a "Strategy Day" was held on June 11, 2012 with the attendance of all the Directors in attendance.

The tables enclosed to this Report show the participation rate for each Director at Board meetings and at the meetings of those committees of which he is a member.

In 2013, there have been three meetings held as of March 14th, including one held on that date. A further nine meetings are scheduled before the end of the year.

Pursuant to the Rules on the market organised and managed by Borsa Italiana, a public announcement is made within 30 days of the close of the previous financial year of the date of Board of Directors meetings called to examine the preliminary results, the annual financial statements and the interim financial reports required by applicable regulations. These meetings also serve to determine the interim dividend payable for the year and to submit a proposal to the Shareholders' Meeting for the balance of the dividend, accompanied by the associated distribution and ex-dividend and payment dates. The financial calendar is available on the Eni website⁹⁰.

For information on the appointment of the Lead Independent

Director, please refer to the section "The Corporate Governance Code of listed companies of December 2011 which Eni has adopted".

In 2012, taken into account the frequency of Board meetings, the independent Directors had numerous occasions to meet, formally and informally, to exchange views and hold discussions.

Board review and peer review

In accordance with international best practices and the provisions of the Corporate Governance Code, the Board of Directors has launched, for the seventh straight year⁹¹, a self-assessment programme (Board Review) for the Board of Directors and its Committees, for the 2012 financial year. As usual, the Board Review was conducted with the support of an external advisor to ensure objectivity in the process. In line with the duties assigned to it by the Board and with the recommendations of the Corporate Governance Code, the Nomination Committee played a supervisory role during the Board Review process. More specifically, the Committee evaluated the bids from external advisors, recommending the advisor to be engaged, taking account of additional services the advisor provides to Eni or companies having a control relationship with Eni.

Upon the proposal of the Nomination Committee, the Board decided to engage Spencer Stuart to help conduct the Board Review. Spencer Stuart also provides Eni with executive search and assessment services, but, based on its international standing, this was deemed to not compromise the independence and objectivity required. A senior partner from Spencer Stuart's London office was also involved in order to provide a non-Italian point of view to the assessments performed.

The Board Review was based on individual interviews conducted by the advisor with each Director, on the basis of an interview guide provided to the Directors beforehand by the advisor, and also involved the Chairman of Statutory Auditors and the Company Secretary on specific aspects of the operation of the Board.

As established in the Corporate Governance Code, the Board Review examined the size, composition, level of operation and efficiency of the Board and the Committees.

As an integral part of the Board Review, the advisor compared the operating procedures used by Eni's Board with international best practices in this area.

At the same time, and with the support of the same external advisor, a peer review process for the Directors was also carried out for the second year, consisting of an evaluation by each Director of the contribution made by the other Directors to the Board's work. This peer review supplements the Board Review and is an important innovation for Italian listed companies, incorporating international best practices and implementing one of the Eni Corporate Governance Proposals, which were announced on July 13, 2011.

The results of the interviews conducted by the advisor and their

[88] In accordance with the recommendations of the Art. 1.C.6 of the Corporate Governance Code.

[89] For more information, please refer to the relevant paragraph of this Report.

[90] Available at: http://www.eni.com/en_IT/investor-relation/financial-calendar/financial-calendar.shtml.

[91] For the second time for the Board in charge.

comparison with international best practices were presented and discussed at the Board's February 14, 2013 meeting.

The results of the Board Review revealed that the Board effectively handled a number of important issues in 2012 – mainly connected with changes in the market sparked by the economic crisis and the consequent impact on energy consumption, with technological innovations and with the effects of geopolitical events – involving all the Directors in a positive working environment. This led to cooperative decision-making with a high degree of support for the choices made.

Specifically, the following strengths were noted:

- i. the commitment and dedication shown by the Chairman to his work; specifically, he encouraged all the Directors to participate in discussions and ensured that they had the opportunity to do so; made sure that documents containing information were provided, even between meetings; monitored the implementation of Board resolutions; prepared and monitored an action plan for implementing the results of the 2011 Board Review;
- ii. the CEO's ability to achieve business targets and pursue the Company's interests, as well as his projection of authority, both internally and to the outside world;
- iii. the balance of the Board's structure concerning executive, non-executive and independent Directors;
- iv. the autonomy and authority of the Board committees, which effectively supported the Board;
- v. the effective scheduling of Board meetings; the quality and the timeliness of the documentation provided to the Board; the preciseness of the minute taking of Board discussions; the respect for confidentiality by all the participants;
- vi. the quality of the induction program for Directors and Statutory Auditors, well-designed and effective;
- vii. the involvement of the Board in analysing business strategies by organizing a "Strategy Day".

The advisor found that the Eni Board has adopted a good number of international best practices and remarked that it is one of the best boards with which it had ever worked.

Based on the analysis performed and the comparison made with international best practices, a number of key issues for reflection on the part of the Board to help it make further improvements were identified.

Specifically:

- i. continuing the induction program by focusing on specific issues;
- ii. strengthening the Board's central role in the strategic planning process, building upon the positive Strategy Day experience last year;
- iii. scheduling additional visits to operating facilities to give Directors a deeper understanding of the business;
- iv. rationalizing the complex and enormous amount of Board documentation, which is nevertheless of high quality, by providing summaries to assist the Directors in reading and understanding the material;

- v. adopting and annually updating a contingency plan defining the role of the Board and the non-executive Directors in the event of an unforeseen crisis.

The Chairman has scheduled individual meetings with each Director to discuss the results of the peer review and has reserved the right to propose actions to be taken with respect to the areas for improvement that were brought up and to bring the Board in line with the board best practices identified by the advisor.

Board Induction

In accordance with the provisions of the Corporate Governance Code regarding the effective and informed performance of Director's duties, Eni prepared a training programme (the "Board Induction") for the members of the current Board immediately after their appointment on May 5, 2011.

This program, in its second edition, was intended to provide new Directors with in-depth knowledge of the Company's activities and organisation, the industry and legislative framework in which it operates, corporate dynamics and their development and the role to be performed in relation to Eni's specific characteristics. The programme, which also included the new members of Eni's Board of Statutory Auditors and in which other members of the two bodies were also invited to participate, began on May 19, 2011, and was divided into a series of meetings in which Eni's top management illustrated the activities and organisation of the individual business areas and the main subsidiaries, going further in-depth on issues of greater interest for the Company bodies, with a view to ensuring clear communication and overall understanding of the system. The meetings were scheduled using the Company's Departments and Divisions as a reference point, as well as the main subsidiaries, and focused on: Eni Corporate Governance; the duties, obligations, powers, composition and operation of the Board of Directors; the industry and the market; human resources and organisation; remuneration; security and HSE; procurement; Group business; company management; the control and risk systems; sustainability and ethics in business administration; identity management; research, development and technological innovation.

The Company has also provided each Director and Statutory Auditor with a guide to the primary applicable regulations and to Company documents that are useful in performing their work.

In 2012, series of on-going training meetings dedicated to a deeper analysis of certain business issues were carried out and are continuing. In the Board calendar, once a year, a Board meeting must be held abroad at a operational site. In accordance with this provision, the November 22, 2012 meeting of the Board of Directors was held in Kazakhstan.

Inspired by the Board Induction program of Eni, the first training program aimed at members of the boards of directors of Eni's subsidiaries ("Welcome Board") was carried out in 2012, emphasising the contributions made by the diversity within the corporate bodies.

Remuneration Report

For information on the 2013 Remuneration Policy and the compensation paid in 2012 to the Directors, the Statutory Auditors, the Chief Operating Officers of the Divisions and other managers with strategic responsibilities, please refer to the Remuneration Report.

Board Committees ⁹²

The Board of Directors has created four internal committees (three of which are required by the Corporate Governance Code) to provide it with recommendations and advice: a) the Control and Risk Committee; b) the Compensation Committee; c) the Nomination Committee and d) the Oil-Gas Energy Committee (herein OGEC). The composition, duties and operational procedures of these committees are governed by their rules ⁹³, which are approved by the Board, in compliance with the criteria outlined in the Corporate Governance Code.

The committees required by the Code (Control and Risk Committee, Compensation Committee and Nomination Committee) are composed of no fewer than three members and, in any case, fewer than the number representing a majority on the Board, as indicated by the Board upon adopting the Corporate Governance Code, so as to avoid altering the Board's decision making process.

More specifically, the rules of:

- the Control and Risk Committee indicate that it is made up of three to four non-executive Directors, all of whom independent. Alternatively, the Committee may be made up of non-executive Directors a majority of whom shall be independent. In the latter case, the Chairman of the Committee shall be chosen from among the independent Directors;
- the Compensation Committee indicate that it is made up of four non-executive Directors, all of whom independent. Alternatively, the Committee may be made up of non-executive Directors of whom a majority shall be independent. In the latter case, the Chairman of the Committee shall be chosen from among the independent Directors;
- the Oil-Gas Energy Committee indicate that it is made up of six non-executive Directors, the majority of whom meet the independent requirements;
- the Nomination Committee indicate that it is made up of three to four Directors, a majority of whom are independent.

In the exercise of their functions, the committees have access any information and Company functions necessary to perform their duties, are provided with adequate financial resources in accordance with the terms established by the Board of Directors, and can avail themselves of external advisers.

The Chairman of the Board of Statutory Auditors, or a standing Statutory Auditor designated by the former, may participate in Control and Risk Committee meetings. The Chairman of the Board of Directors, the CEO, the other standing Statutory Auditors and the Magistrate of the Court of Auditors may also

attend the meetings. Furthermore, the Committee may, through its Chairman, invite other persons, including other members of the Board of Directors or the Company structure, to attend the meetings in relation to individual items on the agenda.

The Chairman of the Board of Statutory Auditors, or a standing Statutory Auditor designated by him, may participate in Compensation Committee meetings. Other Statutory Auditors may also attend meetings in which the Committee is addressing issues about which the Board of Directors is required to obtain an binding opinion from the Board of Statutory Auditors.

Company managers or other persons who, at the invitation of the Chairman of the Committee, are called to provide information and/or opinions based on their expertise on specific items on the agenda may also attend the meetings. No Director may take part in meetings of the Committee during which Board proposals regarding his compensation are being discussed.

The Chairman of the Board of Directors and the Chief Executive Officer of Eni and other Directors may attend Oil-Gas Energy Committee meetings. The Chairman of Eni's Board of Statutory Auditors – or another standing Statutory Auditor designated by the former – may also participate as well as other persons, who need not be affiliated with Eni, at the invitation of the Committee with regard to the specific items in the agenda.

The Chief Executive Officer participates in Nomination Committee meetings; the Chairman of the Board of Statutory Auditors, or a standing Statutory Auditor designated by the former, may participate for matters within the competence of the Board of Statutory Auditors, as well as other persons who, at the invitation of the Committee itself, are called to provide information and/or opinions based on their expertise on specific items in the agenda.

The committee secretaries shall keep the minutes of their respective meetings.

At the meeting of May 6, 2011, the following non-executive Directors, all of them independent, were appointed as members of the committees:

- Control and Risk Committee: Alessandro Lorenzi (Chairman), Carlo Cesare Gatto, Paolo Marchioni and Francesco Taranto;
- Compensation Committee: Mario Resca (Chairman), Carlo Cesare Gatto, Roberto Petri and Alessandro Profumo;
- Oil-Gas Energy Committee (OGEC): Alessandro Profumo (Chairman), Alessandro Lorenzi, Paolo Marchioni, Roberto Petri, Mario Resca and Francesco Taranto.

The Nomination Committee is currently made up of four non-executive Directors, three of whom are independent, is presided over by the Chairman of the Board of Directors, Giuseppe Recchi (non-executive), and is comprised of the Chairmen of the other Board committees: Alessandro Lorenzi (Chairman of the Control and Risk Committee, independent), Alessandro Profumo (Chairman of the Oil-Gas Energy Committee, independent) and Mario Resca (Chairman of the Compensation Committee, independent). The CEO attends the Nomination Committee meetings.

A detailed description of each committee and its activities in 2012 is provided below. More information can be found in the table attached to this Report.

[92] Information provided pursuant to Art. 123-bis, second paragraph, letter d) of the Consolidated Law on Financial Intermediation.

[93] The rules for the four committees are available on Eni's website at: <http://www.eni.com/en/IT/governance/board-of-directors/bod-committees/committees.shtml>.

Control and Risk Committee

During the course of 2012, the Committee met 20 times, with average participation rate of around 99% of its members. As of March 14, 2013, six meetings have been held in 2013, with another 10 scheduled before the end of the year.

The composition, appointment and operational procedures, duties, powers and resources of the Committee are governed by its Rules, which were updated to new provisions of the Corporate Governance Code and approved by the Board of Directors on July 31, 2012.

For more detailed information on the Committee's duties, please refer to the section "Internal control and risk management system" of this Report.

Below is a summary of the main issues tackled during the year:

- 1) In assisting the Board of Directors, the Committee oversees the activities of the Internal Audit Department, monitoring its work for independence, autonomy, adequacy, efficiency and effectiveness, ensuring that it is performed with the required level of objectivity, competence and professional diligence, in accordance with the Eni Code of Ethics and international standards. In particular, the Committee reviewed:
 - i. the 2011 final report on the activities of Eni's Internal Audit Department, the Integrated Audit Plan and the 2012 Budget for Eni's Internal Audit Department, expressing its opinion thereon to the Board of Directors, and the periodic status reports; the 2011 final report and the 2012 audit plan for the internal audit departments of Saipem and Snam⁹⁴;
 - ii. the results of scheduled and non-scheduled audits performed by Eni's Internal Audit Department, as well as the results of monitoring the status of corrective actions planned by the operational units to tackle issues that emerged during the audits, including an in-depth analysis of certain specific issues; the results of audits carried out by Eni's Internal Audit Department in response to specific requests from the Control and Supervisory bodies, as well as the status of other activities conducted by the Internal Audit Department, such as managing reports received (whistleblowing), performing risk assessments and monitoring for independence;
 - iii. the Internal Audit Reports of December 31, 2011 and June 30, 2012 on the primary results of internal audits performed and on the assessment of the suitability of the Internal Control System for achieving an acceptable overall risk profile, as well as the independence requirements for the head of the Internal Audit Department.
- 2) In performing its duties with respect to the internal control system as applied to financial reporting model, during periodic meetings with the CFO and the Company's administrative structures, with the Board of Statutory Auditors and the audit firm in attendance, the Committee reviewed:
 - i. the reports of the officer in charge for preparing financial reporting documents (the "financial reporting officer" or "FRO") on Eni's administrative and accounting structure at December 31, 2011 and at June 30, 2012, verifying the appropriateness of the powers and resources assigned to the FRO;
 - ii. the FRO's Reports on the internal control system as applied to financial reporting at December 31, 2011 and at June 30, 2012;
 - iii. the key aspects of the individual and consolidated financial statements at December 31, 2011 of Eni and its subsidiaries Saipem, Snam, Versalis⁹⁵ and Syndial, and Eni's half-year financial report at June 30, 2012, dedicating particular attention to the accounting principles and specific transactions and/or equity investments. It also examined impairment test methodology and findings. In December 2012, it conducted a preliminary review of the major issues relating to the application of the accounting principles in preparation for the drafting of the 2012 Annual Report;
 - iv. the main aspects of the Annual Report on Form 20-F 2011 and the draft of the Directors' report pursuant to Article 2433-bis of the Italian Civil Code with regard to the interim dividend for the 2012 financial year;
 - v. the reports of the audit firms on the 2011 financial statements and on the limited audit performed on the financial report at 30 June 2012; the Management Letter and the statement of the audit firm on the status of the audit pursuant to SOA 404.
- 3) In the context of its periodic meetings with the Legal Affairs Department, the Committee closely examined the main legal issues and received updates on developments in the major pending legal proceedings, particularly as concerns the possible accounting repercussions, for the purpose of performing their duties as they pertain to the process of preparing the annual and half-year financial reports. In relation to this, it reviewed, inter alia:
 - i. reports on news/notifications, however discovered, of criminal investigations or, more generally, of pending criminal proceedings of particular importance (especially including proceedings relating to offenses allegedly committed involving the administrative liability of companies pursuant to Italian Legislative Decree 231/2001, and the reports of the authorities responsible for supervising regulated markets and antitrust authorities) or that involve the corporate bodies and their members of Eni SpA or its subsidiaries, by bodies/authorities of the Italian or foreign governments or international bodies with jurisdiction over alleged crimes attributable to Eni SpA and/or its subsidiaries, and/or members of their corporate bodies, employees and/or consultants. In this regard, it also examined the periodic report on the activities of Eni's Judicial Events Presidium Team in relation to the various communications received;

[94] As from October 15, 2012, Snam SpA (formerly Snam Rete Gas SpA) is no longer a subsidiary of Eni SpA.

[95] In May 2012, Polimeri Europa SpA changed its name to Versalis SpA.

- ii. the Annual Report prepared by the Anti-Corruption Legal Support Unit regarding the various support activities provided to Eni and subsidiary company structures regarding anti-corruption issues, particularly as regards training programs.
- 4) With regard to the New Regulatory System and the new rules issued during the period, the Committee:
- i. took a deep look into the current status of the Project, focusing mainly on: (i) the procedure provided for the circulation of regulatory instruments and for monitoring their implementation by Eni's subsidiaries and the roll-out process; (ii) the mapping of processes and subprocesses, (iii) the formation of a working group to analyse the current controls on banking and treasuring transactions;
 - ii. was updated on the progress made in issuing the Management System Guidelines (MSG) on key business processes;
 - iii. issued its favourable opinion for the Board of Directors to give its approval on the MSG "Market Abuse" and related annexes to it.
- 5) In line with its duties under the rules on "Transactions involving the interests of Directors and Statutory Auditors and transactions with related parties", the Committee:
- i. examined the proposed changes to the above MSG in January 2012 and expressed its favourable opinion on it prior to approval by the Board of Directors;
 - ii. it also expressed its opinion regarding two transactions, including one of greater importance relating to the sale of 30% less-one-share of the voting capital (so-called "separation of ownership") of Snam SpA to Cassa Depositi e Prestiti SpA. In this regard, for the purposes of issuing its own binding opinion on the interests of the Company in completing the transaction, as well as the suitability and substantive fairness of the relative terms and conditions, the Committee also obtained the fairness opinion from independent expert Rothschild on the fairness of the price for the shares from a financial standpoint.
- 6) In thoroughly examining specific internal control and risk management issues, the Committee:
- i. followed the development of the Integrated Risk Management Process (IRM), particularly focusing on the main findings on risk assessment and reporting activities and the plan for introducing and implementing the IRM model. Specifically, it devoted a specific meeting to examining the objectives and content of the new MSG "IRM" prior to its issuance and the "IRM Principles", represented by the applicable standards, roles and duties, as well as the main elements of the IRM process and, as a result of this review, expressed its favourable opinion;
 - ii. supported the proposal to adopt a comprehensive document governing the internal control and risk management system in an integrated manner and reviewed the first draft of the related MSG;
 - iii. examined the proposal for integrating the current structure for limiting risk in order to incorporate the monitoring of factors associated with market liquidity in the context of initiatives for monitoring the risk profile resulting from new commodities transactions;
- iv. met with the Chief Operating Officers of the R&M, G&P and E&P Divisions and with the top management of certain Eni departments to obtain updates on initiatives undertaken to strengthen the internal control and risk management systems for their respective areas;
- v. was informed about the key aspects of the "Procurement Contract Risk Management Rules", aimed at defining the industrial risk management principles and rules relating to procurement contracts, mainly by implementing a set of rules drawn up for contractual risk management;
- vi. reviewed the periodic reports on disciplinary action taken against employees for illegal conduct;
- vii. was informed about the status of implementing the Consumer Price Control Model at December 31, 2011.
- 7) As envisaged in Eni's organization, managerial and control model (Model 231 pursuant to Italian Legislative Decree 231/2001), it met – together with the Board of Statutory Auditors – with the members of the Eni Watch Structure to review the Watch Structure's semi-annual report on its activities, including in its role as Guarantor of the Code of Ethics, and to take a closer look at certain issues of common interest to the control and supervisory bodies. It also received information concerning:
- i. the considerations, also with the support of external opinions, on attributing functions of the Watch Structure to the Board of Statutory Auditors following the changes to Italian Legislative Decree No. 231/2001 introduced by the so-called "2012 Stability Law";
 - ii. the primary proposed revisions to the MSG "Composition of the Watch Structure and execution of the activities within their remit, in support of Eni SpA subsidiaries", upon which it gave its favourable opinion prior to the review of the matter by the Board of Directors;
 - iii. the key contents of the civil and criminal law opinions on matters that could result in liability of the parent Company pursuant to Italian Legislative Decree No. 231/01 with regard to the organization and activities of the watch structures of subsidiaries.

Compensation Committee

Established by the Board of Directors for the first time in 1996, the Committee provides recommendations and advice to the Board and specifically it:

- i. submits to the Board of Directors for its approval the Remuneration Report and, in particular, the compensation policy for Directors and managers with strategic responsibilities to be presented to the Shareholders' Meeting called to approve the financial statements, as provided for by applicable law;
- ii. periodically evaluates the adequacy, overall consistency and actual implementation of the adopted policy, formulating proposals on the topic for the Board of Directors;

- iii. presents proposals for the compensation of the Chairman of the Board and the Chief Executive Officer, covering the various forms of compensation and benefits awarded;
- iv. presents proposals for the compensation of members of the Board's internal committees;
- v. examines the CEO's recommendations and presents proposals for general criteria for compensation for managers with strategic responsibilities; annual and long-term incentive plans, including equity-based plans; establishing performance targets and assessing results for performance plans in connection with the determination of the variable portion of the compensation for Directors with delegated powers and with the implementation of incentive plans;
- vi. monitors the execution of Board resolutions;
- vii. reports on its activities to the Board at least once every six months.

The Committee also issues the opinions required under the procedure for related party transactions in the manner specified therein ⁹⁶.

In order to effectively perform its analytical and investigation functions, the Compensation Committee makes use of the competent Company structures and may seek, through the latter, the support of external consultants that are not positions that would compromise their independence of judgement.

The Chairman of the Board of Statutory Auditors, or a standing Statutory Auditor designated by him, is invited to participate in Committee meetings. Other Statutory Auditors may also attend meetings in which the Committee is addressing issues about which the Board of Directors is required to obtain an opinion from the Board of Statutory Auditors. Company managers or other persons who, at the invitation of the Chairman of the Committee, are called to provide information and/or opinions based on their expertise on specific items on the agenda may also attend the meetings. No Director may take part in meetings of the Committee during which Board proposals regarding his compensation are being discussed.

The Committee reports to the Board of Directors every six months and to the Shareholders' Meeting called to approve the financial statements through its Chairman or another Committee member designated by the Chairman.

In 2012, the Compensation Committee met four times with a 100% participation rate of its members.

The activities carried out by the Committee in the first half of the year were:

- i. the periodic review of the compensation policy introduced in 2011 in order to prepare the proposed policy guidelines for 2012;
 - ii. the review of Eni's results for 2011 and the establishment of Eni's performance targets for 2012 as they relate to existing variable incentive plans;
 - iii. the formulation of proposals for implementing the Deferred Monetary Incentive Plan for the CEO and General Manager and other management personnel;
 - iv. the examination of the 2012 Eni Remuneration Report.
- In the second half of the year, the Committee analysed the results of the vote by the Shareholders' Meeting on the

compensation policy for 2012 and the guidelines for preparing the 2013 Report and finalized the proposal on implementing the Long-Term Monetary Incentive Plan for the CEO and General Manager, and critical management personnel.

The Committee has scheduled four meetings for 2013. As of the date of approval of this Report, three meetings have already been held, focusing on the periodic evaluation of the compensation policies followed in 2012 for the determination of the proposed policies for 2013.

The composition, appointment, operational procedures, duties, powers and resources of the Committee are governed by rules approved by the Board of Directors on June 1, 2011 and amended to incorporate the recommendations of the Corporate Governance Code of March 2010, as modified in December 2011. More information on the role and activities of the Compensation Committee is provided in the Remuneration Report, prepared pursuant to Art. 123-ter of the Consolidated Law on Financial Intermediation.

Nomination Committee

At the meeting on July 28, 2011, the Board of Directors of Eni SpA approved the establishment of the Nominations Committee, chaired by the Chairman of the Board of Directors and composed of the Chairmen of the Control and Risk Committee, the Compensation Committee and the Oil-Gas Energy Committee.

The CEO attends the Committee meetings, with the power to propose those appointments for which the Board is responsible and the associated succession plans, as well as the criteria governing the succession plans for the Company's managers with strategic responsibilities.

The Committee's Secretary is the Chief Corporate Operations Officer of Eni.

In accordance with the recommendations of the Corporate Governance Code (including responsibilities involving Board Review, activities exercised in competition with the issuer, and the maximum number of offices), the Nomination Committee:

- i. assists the Board of Directors in formulating any criteria for the appointment of executives and members of the boards and bodies of the Company and of its subsidiaries, proposed by the Chief Executive Officer, whose appointment fall under the Board's responsibilities, and of the members of the other boards and bodies of Eni's associated companies;
- ii. provides evaluations to the Board of Directors on the appointment of executives and members of the boards and bodies of the Company and of its subsidiaries, proposed by the Chief Executive Officer, whose appointment fall under the Board's responsibilities and oversees the associated succession plans. Where possible and appropriate, with regards to the shareholding structure, the Committee proposes the succession plan for the Chief Executive Officer to the Board of Directors;
- iii. acting upon a proposal of the Chief Executive Officer, examines and evaluates criteria governing the succession plans for the Company's managers with strategic responsibilities;
- iv. proposes candidates to serve as Directors in the event one

[96] For more information, please refer to the paragraph of this Report on the matter.

- or more positions need to be filled during the course of the year (Article 2386, first paragraph, of the Italian Civil Code), as recommended by the Corporate Governance Code in the case of the replacement of independent Directors, ensuring compliance with the requirements on the minimum number of independent Directors and the percentage reserved for the less represented gender;
- v. oversees the annual self-assessment program on the performance of the Board of Directors and its Committees and, on the basis of the results of the self-assessment, provides its opinions to the Board of Directors regarding the size and composition of the Board or its Committees as well as, the skills and professional qualifications it feels should be represented on the same, so that the Board itself can give its opinion to the shareholders prior to the appointment of the new Board;
 - vi. proposes to the Board of Directors the slate of candidates for the position of Director to be submitted to the Shareholders' Meeting if the Board decides to opt for the right envisaged in Article 17.3 of the By-laws;
 - vii. proposes to the Board of Directors guidelines regarding the maximum number of positions of director or statutory auditor that a Company Director may hold and performs the associated periodic checks and evaluations for submission to the Board;
 - viii. periodically investigates that the Directors satisfy the independence and integrity requirements, and ascertains the absence of circumstances that would render them incompatible or ineligible;
 - ix. provides its opinion to the Board of Directors on any activities carried out by the Directors in competition with the Company.

The Rules of the Nomination Committee were approved by the Board of Directors of Eni SpA on September 29, 2011, and amended on October 29, 2012.

In 2012, the Nomination Committee met six times, with a participation rate of 96% of its members. Only one meeting has been held so far this year, on March 14, 2013.

More specifically, in 2012, the Committee:

- i. approved the work plan for the succession planning process and methodology and the nomination process for those organizational positions for which the Committee is responsible;
- ii. conducted the enquiry into whether Directors satisfy the integrity requirements and the absence of circumstances that would render them ineligible or incompatible, in accordance with the Board's policy, and as to whether the Directors satisfy the independence requirements;
- iii. expressed a favourable opinion on the proposals put forth by the CEO on the appointments of an internal member of Eni's Watch Structure, a standing statutory auditor and an alternate statutory auditor of Saipem SpA and an alternate statutory auditor of Versalis SpA;
- iv. reviewed the "2012 succession planning and nomination process" in light of the results of applying the methodology for managing the succession plan for management positions to the extent this falls under the Committee's responsibility;

- v. expressed a favourable opinion on the proposals to adjust the Committee Rules and the Board resolution on the maximum number of offices that can be held by Directors following the adoption by Eni of the Corporate Governance Code;
- vi. examined the documentation pertaining to the proposal of 2012 Board Review and conducted the investigation on the external advisor for the Board Review, supporting the idea of performing a second peer review;
- vii. conducted a deep investigation into the independence of a Director upon the occurrence of circumstances that could have affected his independence;
- viii. analysed some organizational and management solutions concerning the positions of CEO of Saipem SpA, CFO and FRO of Eni SpA, as well as other rotations of the top management.

Oil-Gas Energy Committee

The Oil-Gas Energy Committee (OGEC) was established within Eni's Board of Directors in order to monitor developments in international energy markets. It provides recommendations and advice to the Board of Directors concerning the energy scenarios underpinning strategic planning.

In 2012, the OGEC met 6 times, with an average participation rate 86% of its members. The meetings were often attended by the Chairman, other Directors, and the Chairman of the Board of Statutory Auditors.

During the year, the OGEC handled certain issues aimed at analysing the market situation, characterized by the difficult economic climate in Europe, which has caused a marked slowdown in demand of gas and oil product, with an impact on downstream margins, and by a more balanced environment for crude oil due to the weight of the geopolitical factors in supporting price quotes. With regard to the competitive challenges, emphasis has been placed on the growing exposure of upstream activities through the development of major integrated projects or on high-sulphur oil and on exploration activity that is more focused on cutting-edge issues (high risk-high reward) and the growing importance of unconventional resources in the portfolio of major companies, particularly in North America.

Focus was also placed on the contribution of renewable energy resources to the electricity mix, on their competitiveness with respect to grid parity, on critical system issues (and the relative integration costs) and on the costs associated with the incentive structure.

Subsequently, an analysis was performed of the structure of gas, electricity and oil prices in Italy compared with major European Countries (France, the UK, Germany and Spain), noting in particular the "gap" (the difference in prices by consumption category), separating out the various factors causing this difference: fiscal elements, the other more structural elements (production mix) and finally the costs of logistics, infrastructure, etc.

The final topic addressed was the LNG market, specifically the competition posed by new offerings from the US, Australia and East Africa (Mozambique) designed to conquer the Asian market. It was discovered that buyers want to reduce their exposure to oil-linked indexing and buyers implement their strategy by developing a diversified supply portfolio, the introduction of

supply contracts from the U.S., and an increased presence in upstream projects to capture the full value along the chain.

Chief Operating Officers of the Divisions

Pursuant to Art. 24 of the By-laws, the Board of Directors may appoint one or more Chief Operating Officers⁹⁷, defining their powers, upon the proposal of the CEO, in agreement with the Chairman, subject to fulfilment of the integrity requirements specified by law.

The Board periodically assesses the integrity of the Chief Operating Officers on the basis of statements provided by the COOs themselves; failure to satisfy these requirements will result in dismissal. The Chief Operating Officers are also required to comply with the rules established by the Board of Directors regarding the maximum number of offices they may hold, in accordance with the rules that apply to the CEO⁹⁸.

The Board of Directors has appointed three Chief Operating Officers responsible for Eni's three operating Divisions, namely:

- **Claudio Descalzi**, Chief Operating Officer of the Exploration & Production Division, appointed on July 30, 2008;
- **Umberto Vergine**, Chief Operating Officer of the Gas & Power Division, appointed on January 1, 2012; on December 5, 2012, following his appointment as CEO of Saipem SpA, Umberto Vergine resigned from the COO position and the Board of Directors of Eni appointed Paolo Scaroni COO for the Gas & Power Division ad interim.
- **Angelo Fanelli**, Chief Operating Officer of the Refining & Marketing Division, appointed on April 6, 2010.

In the February 14, 2013 meeting, the Board of Directors – on the basis of the statements made – verified that the integrity requirements have been satisfied and that the Chief Operating Officers are compliant with the rules on the maximum number of offices that may be held.

Board of Statutory Auditors⁹⁹

Duties

The Board of Statutory Auditors, pursuant to the Consolidated Law on Financial Intermediation, monitors:

- i. compliance with the law and the Company's By-laws;
- ii. observance of the principles of sound administration and the appropriateness of the Company's organisational structure for matters within the scope of the Board's authority, the adequacy of the internal control system and the administrative and accounting system and the reliability of the latter in accurately representing operations;
- iii. the procedures for implementing the corporate governance rules provided for in the Corporate Governance Code, which the Company has adopted;

- iv. the adequacy of the instructions imparted by the Company to its subsidiaries in order to guarantee full compliance with legal reporting requirements.

In addition, pursuant to Article 19 of Italian Legislative Decree No. 39/2010 (herein "Legislative Decree No. 39/2010"), in its role as the "internal control and financial auditing committee", the Board of Statutory Auditors oversees the following:

- i. the financial reporting process;
- ii. the effectiveness of the internal control, internal audit (where applicable) and risk management systems;
- iii. the statutory auditing of the annual financial statements and consolidated financial statements;
- iv. the independence of the external auditor or the Audit Firm, in particular with regard to the provision of non-audit services to the entity audited.

The responsibilities assigned under the decree to the "internal control and financial auditing committee" are consistent and substantively in line with the duties already assigned to the Board of Statutory Auditors of Eni, with specific consideration of its role as the Audit Committee under the US Sarbanes - Oxley Act (described in further detail below).

As already set forth in the Consolidated Law on Financial Intermediation and currently regulated by Article 13 of Legislative Decree No. 39/2010, the Board of Statutory Auditors submits a reasoned proposal to the Shareholders' Meeting on the selection of the external auditors and the determination of the associated fees.

In addition, pursuant to Article 19, paragraph 1, letters c) and d), of the above decree, the Board of Statutory Auditors supervises the works of auditing of accounts and the independence of the Audit Firm, in particular with regard to the provision of non-audit services to the entity audited.

In accordance with Article 153 of the Consolidated Law on Financial Intermediation, the Board of Statutory Auditors presents the results of its supervisory activity in a report attached to the financial statements.

On March 22, 2005, the Board of Directors, electing the exemption granted by the Stock Exchange Commission (SEC) to foreign issuers of securities listed on regulated US markets, designated the Board of Statutory Auditors as the body that, as from June 1, 2005, performs, to the extent permitted under Italian regulations, the functions attributed to the Audit Committee of foreign issuers by the Sarbanes-Oxley Act and SEC rules.

On June 15, 2005, the Board of Statutory Auditors approved rules governing its performance of the duties assigned to it under that US legislation¹⁰⁰. The text of the rules is available on the Eni website¹⁰¹.

Composition and appointment

Under the provisions of the Consolidated Law on Financial Intermediation, the Board of Statutory Auditors shall consist of at least three standing Statutory Auditors and at least

[97] For information, please consult the management chart found on the Eni website at: http://www.eni.com/en_IT/company/organisation-chart/organisation-chart.shtml.

[98] With the exception of the prohibition on cross-directorships.

[99] Disclosure provided pursuant to Article 123-bis, second paragraph, letter d) of the Consolidated Law on Financial Intermediation.

[100] The Rules were amended on March 30, 2007 to take account of the amendments introduced with Legislative Decree 303/2006 to Article 159, paragraph 1, of the Consolidated Law on Financial Intermediation and by the Eni Corporate Governance Code at that time in force, as well as to update references in response to the organizational changes introduced since June 15, 2005, when the previous Rules were approved. The Rules were amended further on April 7, 2010 to reduce the time limits for calling meetings.

[101] At the address: http://www.eni.com/en_IT/governance/board-of-statutory-auditors/board-of-statutory-auditors.shtml.

two alternate Statutory Auditors. The Company's By-laws establish that the Board of Statutory Auditors shall consist of five standing members and two alternate members, appointed by the Shareholders' Meeting for a term of three years. They may be reappointed at the end of their term. As with the Board of Directors and in accordance with applicable regulations, the By-laws establish that the Statutory Auditors shall be appointed on the basis of slates in which the candidates are listed in numerical order. Two standing Statutory Auditors and one alternate Statutory Auditor are appointed from among the candidates of the slates submitted by non-controlling shareholders. Under the provisions of the By-laws, the submission, filing and publication of candidate slates are governed by the procedures established for the Board of Directors¹⁰² and the provisions issued in Consob regulations.

Slates shall be divided into two sections: the first containing candidates for appointment as standing Statutory Auditors and the second containing candidates for appointment as alternate Statutory Auditors. At least the first candidate in each section must be entered in the register of auditors and have carried out statutory audit activities for no less than three years.

The slates are accompanied by: (i) information identifying the shareholder or shareholders who have submitted the slate, indicating the overall percentage shareholding; (ii) statements from shareholders other than those who hold a controlling or plurality equity interest certifying that they are not related to the latter; (iii) a personal and professional curriculum vitae; (iv) statements from each candidate certifying that they meet the requirements established under applicable regulations; (v) statements from each candidate accepting the candidacy; (vi) a list of positions held in other companies. Appointment is carried out in accordance with the procedures already described for the Board of Directors. The slate voting procedure only applies for the appointment of the entire Board of Statutory Auditors. In the event of the replacement of a Statutory Auditor elected from the slate that received a majority of votes, the alternate Statutory Auditor from the same slate shall be appointed. In the event of the replacement of a Statutory Auditor elected from another slate, the alternate Statutory Auditor from that slate shall be appointed.

As regards the composition and appointment of the Board of Statutory Auditors, as in the case of the Board of Directors, the Extraordinary Shareholders' Meeting of May 8, 2012 amended the By-laws of the Company so as to ensure gender balance in the management and control bodies of listed companies applicable to the renewal of the Board of Statutory Auditors and in the case of replacement of members during the term. These provisions are applicable to the first three appointments subsequent to August 12, 2012. With specific reference to the Board of Statutory Auditors, the By-laws establish that if replacement results in non-compliance

with gender-balance rules, the Shareholders' Meeting must be called as soon as possible to approve the necessary resolutions to ensure compliance¹⁰³.

Pursuant to Article 28.2 of the By-laws, in accordance with the provisions of the Consolidated Law on Financial Intermediation, the Shareholders' Meeting appoints the Chairman of the Board of Statutory Auditors from among the candidates appointed from the slates other than that which received a majority of votes.

On May 5, 2011 the Shareholders' Meeting appointed the Board of Statutory Auditors for a term of three years until the date of the Shareholders' Meeting called to approve the financial statements for 2013: Ugo Marinelli, Chairman, Roberto Ferranti, Paolo Fumagalli, Renato Righetti and Giorgio Silva, standing Statutory Auditors; Francesco Bilotti and Maurizio Lauri, alternate Statutory Auditors.

The Shareholders' Meeting also established the annual remuneration payable to the Chairman of the Board of Statutory Auditors and to each standing Statutory Auditor, in the amount of €115,000 and €80,000, respectively, in addition to reimbursement of any necessary expenses incurred while performing their duties.

Roberto Ferranti, Paolo Fumagalli, Renato Righetti and Francesco Bilotti were appointed on the basis of the list submitted by the Ministry of the Economy and Finance, which at the time held 3.93% of the share capital, and voted by the majority of the shareholders participating in the Shareholders' Meeting (i.e., about 57.7% of voting capital), equal to 31.78% of share capital.

Ugo Marinelli, Giorgio Silva and Maurizio Lauri were appointed on the basis of the list submitted by institutional investors, holding a total of 0.9% of share capital, and voted by the minority of the shareholders participating in the Shareholders' Meeting (i.e. about 40.6% of voting capital), equal to 22.37% of share capital.

The following provides some details on the personal and professional profiles of the elected standing Statutory Auditors.



Ugo Marinelli

Mr. Marinelli has been Chairman of the Board of Statutory Auditors of Eni SpA since June 2008. He was born in Rome in 1941 and graduated with a degree in economics and business from LUISS Guido Carli University of Rome. He is a professional accountant and certified public auditor. He is a member of the audit committee of Ferrero International and Chairman of the Board of Auditors of Associazione Civita. He spent a large part of his professional life (from 1965 to 2000) at Arthur Andersen, where he held positions of increasing responsibility

(102) See the paragraph "Appointment" in the section on the "Board of Directors" in this Report.

(103) For more information, please see the section "Gender balance in corporate board composition and initiatives to ensure diversity"

both nationally and internationally (Managing Partner of the Rome office, Managing Partner for Italy of ABA - Assurance and Business Advisory ("Products and Services"), a member of the management committee for Italy, a member of the Board of the Andersen Worldwide Organization and Chairman of the compensation committee, member of the Nominating Committee of Andersen Worldwide Organization, member of the International Executive Committee of ABA - Assurance and Business Advisory). He is an expert in international accounting standards (IFRS) and was a member of the European Financial Reporting Advisory Group (EFRAG), the technical consultative body of the European Commission for the endorsement of the international accounting standards issued by the International Accounting Standards Board (IASB). He has held positions as an statutory auditor and director. From 1985 to 1994 he was a professor of auditing in the economics and business department of the University of Rome "La Sapienza", and, until 2012, he was a professor of auditing at the "Federico Caffè" business school at the University of Rome "Roma Tre".



Roberto Ferranti

Mr. Ferranti has been a standing Statutory Auditor of Eni since June 2008. He was born in Rome in 1947 and graduated from the University of Rome "La Sapienza" with a degree in economics and business. He is certified public auditor. He is currently Chairman of the Board of Auditors of Agenzia Nazionale Sicurezza del Volo, a member of the Board of Auditors of Federazione Italiana Nuoto, and Chairman of the Board of Auditors of Registro Italiano Navale. He has been the Head Inspector General of the Inspectorate General for Public Accounting and Finance since July 2009. In May 2010 he was appointed Chairman of the Italian Accounting Standards Committee as provided for by Law 196/2009 reforming government accounting. In 1987, he became the head of Division VI of the Inspectorate General for the Budget – State Accountant General's Office – and in 1992 was appointed head of Division II of the Inspectorate General for the Budget. In 1994, he took over as interim head of the Public Finance Office of the Inspectorate General for the Budget and in 1997 became Director of that office. He has served as the Chairman of the Board of Statutory Auditors of Equitalia Piacenza SpA and Equitalia Spezia SpA, as a Director of Equitalia Cerit SpA of Florence and as a Statutory Auditor of SIMEST SpA. He is been a member of working groups involved in preparing sections of the General Report on the Italian Economy and reviewing the Treasury Summary Accounts. He has also been an instructor at the State Accountant Generals' Office.



Paolo Fumagalli

Mr. Fumagalli has been a standing Statutory Auditor of Eni since May 2011. He was born in Busto Arsizio (VA) in 1960 and received a degree in political science from Università Cattolica del Sacro Cuore, in Milan. He is a chartered accountant and certified public auditor and is a member of the Italian Association of Journalists. He is a founding partner of Studio Professionale Associato GFT & Partners, in Milan; Chairman of BFS Partner SpA, of CAPFIN SpA and of Fondazione San Giacomo; a Director of ICAM SpA and of IISussidiario.net Srl; a member of the Board of Statutory Auditors of ASPEM Energia Srl, Aspem SpA (A2A Group), Arriva Italia Srl (Deutsche Bahn Group) and Enel Ingegneria e Ricerca SpA. He teaches courses on pension funds and supplementary pension schemes in the Banking, Financial and Insurance Sciences Department of Università Cattolica (Milan). He has also been a Director of Banca Intesa SpA (2000-2006), Chairman of Intesa Sanpaolo Vita SpA (2002-2011) and of Intesa Sanpaolo Previdenza (2003-2012), and a member of the Board of Statutory Auditors of Cassa Depositi e Prestiti SpA (CDP SpA) (2010-2012). He was a Director of the Varese (2002-2007) and Monza and Brianza (2007-2011) chambers of commerce on behalf of ANIA and ABI (national insurance and banking associations).



Renato Righetti

Mr. Righetti has been a standing Statutory Auditor of Eni since May 2011. He was born in Rome in 1946 and holds a degree in law from the University of Rome. He is a certified public auditor. He is currently an anti-money laundering consultant for the judiciary and parliamentary committees, with a focus on the fight against organized crime. He has been a standing statutory auditor of Ansaldo STS SpA since April 2011. He has been a manager of the Italian Foreign Exchange Office and, subsequently, of the Bank of Italy. From 1974 to 1981 he was a member of the group of experts formed to combat the flight of capital abroad and to manage criminal investigations in the foreign exchange sector. Until 1994 he was part the secretariat of the Governor in his capacity as Chairman of the board of directors of the Italian Foreign Exchange Office, as well as secretary of the Board itself. From 1995 to 1998 he was a member of a group of financial experts of the Information Services Coordination Committee. In 2006 he represented the Central Bank on the Greco Committee for the collection of

legal costs and in 2007 he was appointed coordinator of the sub-group formed to develop guidelines for the effective use of seized assets. He was until 2008 the head of Italian and international anti-money laundering activities of the Central Bank and a member of the Financial Security Committee (CSF) of the Ministry of the Economy and Finance. From 2004 to 2008 he was an advisor to the Oversight Committee for Major Public Works of the Ministry of the Interior. Until 2010 he headed the group of experts formed by the Milan Public Prosecutor's Office to assist in the fight against financial crime and activities related to money laundering, usury and terrorist financing.



Giorgio Silva

Mr. Silva has been a standing Statutory Auditor of Eni since May 2005. He was born in Samarate (VA) in 1945 and graduated from Università Cattolica del Sacro Cuore in Milan with a degree in economics and business. He has been registered as a certified public accountant in Busto Arsizio since July 4, 1975, and in Varese since May 3, 1989. He has been a chartered accountant since 1981 and certified public auditor since 1995. He currently holds the following positions: Chairman of the Board of Statutory Auditors of Xchanging Italy SpA, TSP - Tecnologie e Servizi per il Pubblico Srl; standing Statutory Auditor of Alitalia Compagnia Aerea Italiana SpA, CAI Second SpA, Air One SpA, Alitalia Cityliner SpA, SIA SpA, Bolton Alimentari SpA; alternate Statutory Auditor of Luxottica SpA, RCS Mediagroup SpA, CAI First SpA and Nuova Sidap Srl; and Auditor for Fondazione Corriere della Sera, Fondazione Candido Cannavò per lo sport. He is a speaker at conferences and author of articles and other publications relating to taxation issues. He is a member of the Watch Structures (pursuant to Italian Legislative Decree 231/01) of Luxottica SpA. He held executive administrative positions in major industrial companies between 1965 and 1973. He held an executive position in the tax division of the Audit Firm Peat Marwick & Mitchell (now KPMG) in Milan from 1973 to 1976. In 1977, he joined the Studio Legale Tributario L. Biscozzi - A. Fantozzi, currently Studio Legale e Tributario Biscozzi Nobili, of which he is a founding partner. He held the positions of Director of Gemina SpA from 1996 to May 3, 1999, Chairman of the Board of Statutory Auditors of Impregilo SpA from 1999 to May 2, 2005, and standing Statutory Auditor of Luxottica SpA from May 2006 to May 2009. Standing Statutory Auditor and Chairman of the Watch Structure (pursuant to Italian Legislative Decree 231/01) of RCS Mediagroup SpA from 2006 until May 2, 2012. The personal and professional curricula of the Statutory Auditors are also available on the Eni website, in the Governance section.

Professional, integrity and independence requirements: causes for ineligibility, incompatibility and dismissal

As stated in the Corporate Governance Code, the Statutory Auditors shall also act independently of the shareholders who have appointed them. Pursuant to the Consolidated Law on Financial Intermediation, the Statutory Auditors must meet specific independence requirements, as well as professional and integrity requirements, as established in the regulations issued by the Minister of Justice in agreement with the Minister of the Economy and Finance¹⁰⁴. With reference to professional requirements, Article 28 of the By-laws states that – as established in the above ministerial rules – the requirements may also be met through professional or teaching experience (of at least three years) in the commercial law, business economics and corporate finance fields, or through the exercise of management functions (for at least three years) in the engineering and geology fields. Moreover, all of the Statutory Auditors currently in office are entered in the register of certified auditors. Upon their appointment, the Statutory Auditors declared for the first time that they fulfilled the independence, integrity and professional requirements set forth in the applicable regulations, and the Board of Directors performed its verification duties at its meeting of May 6, 2011. Subsequently, in compliance with the provisions of the Corporate Governance Code designed to ensure that the Statutory Auditors met independence requirements, on the basis of the criteria specified in the Corporate Governance Code for directors, at its meeting of January 16, 2013, the Board of Statutory Auditors ascertained that its members all met the independence, integrity and professional requirements, while the Board of Directors performed its verification duties at its meeting of February 14, 2013.

Finally, pursuant to applicable regulations, persons may not take office in a control body of an issuer if they hold the same office in five other listed companies. As long as they hold office in the control body of just one issuer, persons may hold other administration and control positions in Italian companies, within the limits specified in Consob regulations¹⁰⁵.

The Statutory Auditors are required to report the offices they hold or relinquished, in the manner and within the time limits established in the applicable regulations, to Consob, which shall then publish the information, making it available on its website.

Meetings and operational procedures

The Statutory Auditors, simultaneously with the Directors, are provided with documentation of the issues on the agenda to be discussed at the Board of Directors meeting, and the Board of Directors and CEO shall report – on at least a quarterly basis or, in any case, during the Board meetings on the activities performed and on transactions with the greatest impact on performance and financial position carried out by the Company and its subsidiaries, in addition to providing a comprehensive bimonthly statement

[104] Regulation including provisions for defining the professional and integrity requirements of members of the Board of Statutory Auditors of listed companies to be issued in accordance with Article 148 of Italian Legislative Decree No. 58 of February 24, 1998* contained in Decree No. 162 of March 30, 2000.

[105] Most recently, see the Consob resolution of January 20, 2012.

on transactions carried out with related parties and in particular on transactions in which Directors or Statutory Auditors have an interest, in compliance with the corporate procedure governing transactions with related parties¹⁰⁶. Under that procedure, the Statutory Auditors must inform the Board of Directors and the other Statutory Auditor any personal or third-party interests they hold in relation to any given transaction of the Company. The Board of Statutory may also meet via videoconferencing or teleconferencing systems.

In 2012, the Board of Statutory Auditors met 24 times. The average duration of the meetings was 3 hours and 49 minutes. In 2012, an average of 87% of the Statutory Auditors attended meetings of the Board of Statutory Auditors and an average of 84% of Statutory Auditors attended meetings of the Board of Directors. For the year under way, as of March 14, 2013, 6 meetings had been held. A further 11 meetings are scheduled before the end of the year. The tables attached to this Report describe the participation rate for each Statutory Auditor for the meetings of the Board of Statutory Auditors and the Board of Directors.

Internal control and risk management system¹⁰⁷

Eni is aware that an effective internal control and risk management system contributes to a management of the company in line with the business objectives sets by the Board, fostering informed decision-making and contributing to ensuring protection of capital, efficient and effective processes, reliable financial reporting, compliance with the laws, regulations, the By-laws and internal procedures. To that end, Eni is committed to continuously promoting and maintaining an adequate internal control and risk management system consisting of a set of tools, regulations and rules, and procedures and organisational structures, aimed at making it possible to identify, measure, manage and monitor the main risks that Eni faces.

This system is integrated into the organisational, administrative and accounting structure, and more generally into Eni's corporate governance framework, and complying with the recommendations of the Corporate Governance Code, it takes into consideration national and international reference models and best practices. In keeping with the process of "continuous improvement" of the internal control and risk management system begun in 2011, Eni has taken certain important steps to further consolidate the system, focusing particularly on managing business risks. Furthermore, in adopting the 2011 Corporate Governance Code, Eni took the opportunity, while adjusting its internal documents to bring them in line with the new recommendations, to organize and integrate the Company's internal control and risk management rules. These initiatives will be described in more detail further on in this section.

The primary responsibilities in this regard have been given to those bodies and functions possessing the appropriate powers, resources and structures.

More specifically, as the body providing strategic guidance, the Eni SpA Board of Directors has reserved to itself the responsibility for guiding and evaluating the adequacy of the system, which is done mainly with the support of the Control and Risk Committee.

The CEO of Eni SpA, who has been identified by the Board of Directors as the Director in charge of establishing and maintaining the internal control and risk management system¹⁰⁸, is responsible for executing the guidelines given by the Board for the system. The head of the Eni SpA Internal Audit Department verifies the system's functioning and adequacy on an on-going basis and in relation to the specific situations. The head of the Internal Audit Department is appointed by the Board of Directors and has a dedicated corporate structure at his disposal.

The officer in charge of preparing financial reporting documents (Financial Reporting Officer or FRO) of Eni SpA, appointed by the Board of Directors, is responsible for the internal control system on financial reporting.

The Eni SpA Watch Structure is responsible for monitoring the implementation and observance of the Company's Model 231 and verifying its adequacy.

In general, as part of their duties and objectives, management and all Eni personnel are responsible for ensuring the adequacy of the internal control and risk management system within their areas, taking an active part in making sure that it operates properly.

Finally, by law, the Eni SpA Board of Statutory Auditors monitors the adequacy and efficiency of the system.

Interaction and coordination between the actors are established in Company documents that set out the roles of each and in the guidelines for the internal control and risk management system (MSG "Internal control and risk management system", more described in the following dedicated paragraph), in order to maximise efficiency and reduce duplications of activities, in accordance with the recommendations of the Corporate Governance Code.

Below is a detailed description of the roles and duties of the actors in Eni's internal control and risk management system.

Actors and duties

Board of Directors

The Eni SpA Board of Directors sets the guidelines for the internal control and risk management systems of the Company, its major subsidiaries¹⁰⁹ and the Group so as to ensure that the main risks to the Company and its subsidiaries are properly identified, measured, managed and monitored, as well as to determine the degree of compatibility of such risks with managing of the

[106] For greater details, please see the paragraph of this Report on the matter.

[107] This section was approved by the Board of Directors, having received the prior opinion of the Control and Risk Committee; the paragraph "Main characteristics of the risk management and internal control system applied to the financial reporting process (Management System Guideline on Eni's internal control system over financial reporting)", and the paragraph "Officer in charge of preparing financial reporting documents (Financial Reporting Officer)", were also reviewed by the Audit Firm pursuant to Art. 123-bis, fourth paragraph, of the Consolidated Law on Financial Intermediation.

[108] As defined by Art. 7 of the Corporate Governance Code.

[109] The major subsidiaries of Eni are: Saipem SpA, Versalis SpA and Eni International BV, companies that are also deemed to be strategically important subsidiaries. Snam SpA, before included in the major subsidiaries of Eni, is no longer a subsidiary of Eni SpA as from October 15, 2012.

Company consistent with its strategic objectives.

For that purpose, the Board has established a Control and Risk Committee to provide it with support in making evaluations and decisions pertaining to the system, as well as in relation to approving periodic financial reports.

The Board has also charged the CEO, who is the Director responsible for the internal control and risk management system, with the duty of implementing the guidelines and overseeing the above mentioned system. Eni's CEO reports to the Board, for its review, on the main risks faced by Eni at least once every six months.

Finally, the Board of Directors, on the proposal of the CEO in agreement with the Chairman, having first received the favourable opinion of the Control and Risk Committee and in consultation with the Board of Statutory Auditors: (i) appoints and removes the head of the Internal Audit Department; (ii) ensures that he has the necessary resources to perform his duties; and (iii) establishes the remuneration framework in line with corporate policies.

At least annually, and most recently at its meeting of January 17, 2013, the Board approves the Audit Plan prepared by the head of the Internal Audit Department, having first received the opinion of the Control and Risk Committee and in consultation with the Board of Statutory Auditors and the CEO.

Furthermore, the Board of Directors, having first received the opinion of the Control and Risk Committee and in consultation with the Board of Statutory Auditors, evaluates the findings contained in the suggestion letter, if any, of the firm that performed the statutory audit and in its report on the fundamental issues that arose during the statutory audit.

Subject to the other powers granted by the law, the By-laws and the Corporate Governance system, the Chairman, within the context of the Board:

- i. evaluates and supports the proposals put forth by the CEO of Eni SpA, to be submitted to the Eni SpA Board of Directors for approval, concerning the appointment and removal of the Chief Operating Officers of Eni SpA and formulates the proposal for the appointment of the CEO of Eni SpA as General Manager;
- ii. evaluates and supports the proposals put forth by the CEO of Eni SpA concerning the composition (and any changes in composition) of the Eni SpA Watch Structure;
- iii. evaluates and supports the proposals put forth by the CEO of Eni SpA concerning the appointment and removal of the FRO of Eni SpA and the head of Eni's Internal Audit Department. With respect to the latter only, he evaluates and supports the proposals put forth by the CEO of Eni SpA concerning the determination of his fixed and variable remuneration in keeping with Company policies, as well as the adequacy of the resources assigned him to perform his duties;
- iv. receives, along with the CEO of Eni SpA, the Chairman of the Control and Risk Committee of Eni SpA and the Chairman of the Board of Statutory Auditors of Eni SpA, the results of

the audit performed by Eni's Internal Audit Department, as well as the periodic reports on the activities of Eni's Internal Audit Department, on the procedure it follows in managing risks and on how well it is following the plan for their containment;

- v. receives, along with the CEO of Eni SpA, the Chairman of the Control and Risk Committee of Eni SpA and the Chairman of the Board of Statutory Auditors of Eni SpA, the reports on significant events prepared by Eni's Internal Audit Department;
- vi. is informed, along with the Chairman of the Control and Risk Committee of Eni SpA and the Chairman of the Board of Statutory Auditors of Eni SpA, whenever the CEO of Eni SpA asks the Eni's Internal Audit Department to audit specific areas of operations and to verify compliance with internal rules and procedures in operations;
- vii. receives every six months from the Eni Watch Structure a report on its activities with information on the results of the verifications performed and legislative changes in the area of the administrative liability of companies, as well as receives an immediate report from the Watch Structure on particularly material or significant facts discovered;
- viii. may ask the CEO of Eni SpA, even at the request of one or more Directors, that the managers of Eni SpA and of the Group companies who report to the CEO, the heads of the relevant departments (based upon the issues being addressed) and, specifically, the head of the IRM unit attend Board meetings to provide information on items on the agenda.

At least once a year ¹¹⁰, the Board, having received the opinion of the Control and Risk Committee, evaluates the adequacy of the internal control and risk management system of Eni SpA, of its strategically important subsidiaries and of the Group with regard to the characteristics of the business and its risk profile compatible with the business objectives, as well as its effectiveness. In addition, Extraordinary investigations may be performed when unforeseen events occur in order to verify the effectiveness of the controls in particular situations.

On March 14, 2013, the Board approved, upon the proposal of and based upon the prior opinion of the Control and Risk Committee, the "Guidelines for the Internal Control and Risk Management System", assigning the CEO the duty of implementing these guidelines by issuing the related MSG (in the process of being issued). This MSG will support the previous document, released on December 18, 2012, used to develop and implement a model for integrated risk management.

The guidelines for the internal control and risk management system incorporate the previous risk guidelines that the Board approved on December 13, 2012, having first received the opinion of the Control and Risk Committee.

To support decision-making processes of the Company, the results of periodic risk assessment and monitoring activities were presented by the Integrated Risk Management unit to the Risk Committee, made up of Eni top management and chaired

[110] The MSG on the "Internal control and risk management system" will require that an evaluation be performed every six months.

by the CEO. The CEO presents the findings to the Board of Directors so that can evaluate every six months the adequacy and effectiveness of the internal control and risk management system, with regard to the characteristics of Eni and its risk profile compatible with the business objectives.

Consistent with the Integrated Risk Management ¹¹¹ process, in December 2012, the CEO presented information on the main risks facing Eni and the findings of the first risk assessment cycle to the Board of Directors.

In early 2013, a new risk assessment cycle was initiated to, among other things, analyse the new 2013-2016 business plan to uncover any developments in the risk profile with regard to any discontinuity in strategies and/or the internal and external context.

At its meeting of March 14, 2013, the Board, having reviewed the FRO's report and the report of the Control and Risk Committee, and having received the Committee's opinion, positively evaluated: (i) the adequacy of the internal control and risk management system of Eni, its strategically important subsidiaries and the Group with regard to the characteristics of the business and its risk profile, as well as its effectiveness; and (ii) the adequacy of the powers and resources available to the FRO, as well as the observance of the administrative and accounting procedures he had put in place.

Board of Statutory Auditors

In addition to the supervisory and control functions provided for under Art. 149 of the Consolidated Law on Financial Intermediation, the Board of Statutory Auditors monitors the financial reporting process and the effectiveness of the internal control and risk management system, in accordance with the Corporate Governance Code, also as "Internal control and financial auditing committee", pursuant to Italian Legislative Decree no. 39/2010 and "Audit Committee" pursuant to U.S. regulation.

More specifically, the Board:

- i. evaluates the offers submitted by external auditors for their engagement to perform the audit of the accounts and provides a reasoned proposal to the Shareholders' Meeting concerning the engagement or termination of the external Audit Firm;
- ii. oversees the work of the external auditor engaged to audit the accounts or perform consulting services, other auditing function or certifications;
- iii. makes recommendations to the Board of Directors on the resolution of disagreements between management and the Audit Firm regarding financial reporting;
- iv. approves the procedures for: a) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; b) the confidential, anonymous submission by anyone, including third parties and

employees of the Company, of concerns regarding questionable accounting or auditing matters;

- v. approves the procedures for the pre-approval of specifically identified admissible non-audit services and examines the disclosures on the execution of the authorised services;
- vi. evaluates requests to use the external audit firm engaged to perform audit services for admissible non-audit services and provides its opinion to the Board of Directors;
- vii. examines the periodic reports from the external auditor relating to: a) all critical accounting policies and practices to be used; b) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management officials of the Company, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the external auditor; c) other material written communication between the external auditor and management;
- viii. examines reports from the Chief Executive Officer and the Chief Financial Officer concerning any significant deficiency in the design or operation of internal controls which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information and any material weakness in internal controls;
- ix. examines reports from the Chief Executive Officer and the Chief Financial Officer concerning any fraud that involves management or other employees who have a significant role in the issuer's internal controls.

In the performance of its functions the Board of Statutory Auditors may avail itself of Company units, in particular the Internal Audit Department and the Accounting and Financial Statements Department. The Board of Statutory Auditors receives the information required to perform its duties. The procedures for coordinating the functions of the Board of Statutory Auditors with those of the Internal Audit Department and the Control and Risk Committee are described in the sections on these latter.

Control and Risk Committee

The Control and Risk Committee, formed in Eni in 1994 ¹¹², has been entrusted by the Board of Directors to support, on the basis of an adequate control process, the Board in evaluating and making decisions concerning the internal control and risk management system and in approving the periodic financial reports.

The Committee is composed solely of independent Directors, with expertise ¹¹³ consistent with the duties they are required to perform and reports to the Board at least once every six months, on the occasion of the approval of the annual and semi-annual financial reports, on its activities and on the adequacy of the internal control and risk management system.

The Committee prepares its periodic reports to the Board of

[111] For more information, please refer to the paragraph "Management System Guideline on Integrated Risk Management" of this Report.

[112] The Internal Control Committee, first established within the Board of Directors on February 9, 1994, changed its name to "Control and Risk Committee" by resolution of the Board of Directors on July 31, 2012, in accordance with the recommendations of the 2011 Corporate Governance Code.

[113] The Rules of the Control and Risk Committee of Eni require that at least two – not just one as under the Corporate Governance Code – of the members of the Committee have adequate experience in accounting and financial matters.

Directors taking account of information provided by the FR0, the head of the Internal Audit Department and Eni's Watch Structure in their respective reports, and, more generally, on information obtained in performing its duties.

The Committee advises the Board of Directors. Specifically it:

- i. issues a prior opinion: a) and drafts recommendations and updates concerning the guidelines for the internal control and risk management system to be approved by the Board of Directors; b) on the evaluation, performed at least once a year ¹¹⁴, of the adequacy of the internal control and risk management system, taking account of the characteristic of the Company and its risk profile, as well as, its effectiveness. To this end, at least once every six months the Committee reports to the Board of Directors, on the occasion of the approval of the annual and semi-annual financial reports, on its activities and on the adequacy of the internal control and risk management system; c) on the approval, at least once a year, of the Audit Plan; d) on the evaluation of the findings reported by the audit firm ¹¹⁵ in the recommendations letter it may issue and in the latter's report on the main issues arising during the audit;
- ii. issues its favourable opinion on the proposals formulated by the CEO together with the Chairman of the Board of Directors concerning the appointment, the removal and the definition of the compensation of the head of the Internal Audit Department, as well as the adequacy of the resources provided to the latter;
- iii. examines the main risks presented to the Board of Directors of Eni SpA and issues opinions on specific aspects concerning the identification of the main risks;
- iv. examines and issues an opinion on the adoption and amendment of the rules on the transparency and the substantive and procedural fairness of transactions with related parties and those in which a Director or Statutory Auditor holds a personal interest or an interest on behalf of a third party, while performing the additional duties assigned it by the Board of Directors, including examining and issuing an evaluation on specific types of transactions, except for those relating to compensation ¹¹⁶.

In addition, the Committee, in assisting the Board of Directors:

- i. evaluates, together with the officer in charge of preparing financial reports and after having consulted the external auditor and the Board of Statutory Auditors, the proper application of accounting standards (IFRS) and their consistency in preparing the consolidated financial statements prior to their approval by the Board of Directors;
- ii. monitors the independence, adequacy, efficiency and effectiveness of the Internal Audit Department and oversees its activities. In particular, the Committee: a) examines the results of the audit activities performed by the Internal Audit Department; b) examines the periodic report prepared by the Internal Audit Department containing adequate information on the activities carried out, on the manner in

which risk management is conducted and on compliance with risk containment plans, as well as the assessment of the appropriateness of the internal control and risk management system. The Committee may assign the Internal Audit Department the task of auditing specific areas of operations, simultaneously notifying the Chairman of the Board of Statutory Auditors of the assignment;

- iii. examines and assesses: a) the adequacy of the powers and resources assigned to the officer in charge of preparing financial reports and the findings of the periodic reports prepared by the latter on the occasion of the approval of the annual and semi-annual consolidated financial reports; b) communications and information received from the Board of Statutory Auditors and its members regarding the internal control and risk management system, including those concerning the findings of enquiries conducted by the Internal Audit Department in connection with reports received, including anonymous reports (whistleblowing); c) the periodic reports issued by Eni's Watch Structure, including in its capacity as Guarantor of the Code of Ethics; d) information on the internal control and risk management system, including that provided in the course of periodic meetings with the competent Company structures, and information on enquiries and reviews carried out by third parties.

In any event, the Committee shall establish an information flow towards the Board of Statutory Auditors for the purposes of promptly sharing information necessary for them to complete their respective tasks and to coordinate activities in areas for which they are jointly competent so as to ensure the orderly performance of corporate activities.

Please refer to the relevant paragraph of this Report for more detailed information on the Committee's activities in 2012.

The CEO, acting as the Director charged of the internal control and risk management system

The Chief Executive Officer is charged by the Board of Directors with establishing and maintaining an effective internal control and risk management system.

For this purpose, the CEO identifies the main risks faced by the Company, taking account of the characteristics of the activities of Eni SpA and its subsidiaries, and reports on them to the Board of Directors at least once every six months.

The CEO also implements the policy guidelines for the internal control and risk management system defined by the Board and is responsible for their planning, execution and management.

He is also entrusted with the task of constantly monitoring the overall adequacy and effectiveness of the internal control and risk management system, ensuring that it is updated in response to changes in the operational and regulatory framework.

As regards the internal control system for financial reporting, these duties are performed without prejudice to the role assigned by law to the officer in charge of preparing financial reports ¹¹⁷.

(114) The MSG on the "Internal control and risk management system" will require that an evaluation be performed every six months.

(115) Eni has designated the Board of Statutory Auditors as the Audit Committee pursuant to U.S. regulations [Sarbanes-Oxley Act] with the duty to evaluate the proposals presented by the Audit Firm for its appointment and to oversee the effectiveness of auditing process.

(116) For further information, please see the paragraph Management System Guideline "Transactions involving the interests of Directors and Statutory Auditors and transactions with related parties".

(117) For more information, please see the paragraph "Officer in charge of preparing financial reports".

The CEO may ask the Internal Audit Department to perform an audit on specific areas of operations and on compliance with internal rules and procedures in executing business transactions. In this case, the head of the Internal Audit Department provides simultaneous notice to the Chairmen of the Board of Directors, of the Control and Risk Committee and of the Board of Statutory Auditors upon beginning such work. The CEO shall promptly notify the Control and Risk Committee (or the Board of Directors) of problems or critical issues that arise in performing his duties or that he has discovered so that the Committee (or the Board) can take appropriate action. As previously stated, on March 14, 2013, the Board approved, upon the proposal of and based upon the prior opinion of the Control and Risk Committee, the “Guidelines for the Internal Control and Risk Management System”, assigning the CEO the duty of implementing these guidelines by issuing the related MSG (in the process of being issued). This MSG will support the previous document, released on December 18, 2012, used to develop and implement a model for integrated risk management. The guidelines for the internal control and risk management system incorporate the previous risk guidelines that the Board approved on December 13, 2012, having received the prior of the Control and Risk Committee. To support decision-making processes, the results of periodic risk assessment and monitoring activities are presented by the Integrated Risk Management Function to the Risk Committee, made up of Eni top management and chaired by the CEO. The CEO presents the findings to the Board so that can evaluate every six months the adequacy and effectiveness of the internal control and risk management system, with regard to the characteristics of the Eni and the risk profile compatible with the business objectives. Consistent with the Integrated Risk Management ¹¹⁸ process, in December 2012, the CEO presented information on the main risks facing Eni and the findings of the first risk assessment cycle to the Board of Directors.

Internal Audit

The Internal Audit Department plays a leading role in verifying and assessing the internal control and risk management system. It is primarily responsible for: (i) independently verifying, both on a continuous basis and in relation to special needs and in compliance with international standards, the efficiency and effectiveness of Eni’s internal control and risk management system and (ii) providing specialized support to management concerning the internal control and risk management system to improve the effectiveness, efficiency and integration of controls over corporate processes.

In keeping with best national and international practices, the aims, areas of intervention and the operational methods of the Internal Audit Department are set out in the “Internal Audit Charter” approved by the Board of Directors on March 14, 2013, which replaces the previous guidelines issued in late 2008 ¹¹⁹. Upon a proposal of the CEO (in his capacity as the Director in

charge of the internal control and risk management system) in agreement with the Chairman of the Board of Directors, the Board of Directors appoints the head of the Internal Audit Department, having first received the favourable opinion of the Control and Risk Committee and in consultation with the Board of Statutory Auditors. The proposal is also reviewed by the Nomination Committee. The appointment is subject to verification that he satisfies the requirements of integrity, professionalism, expertise and experience required to perform his duties, as well as determination of the absence of any circumstances rendering him incompatible for the position. The Control and Risk Committee is tasked with annually evaluating whether these requirements are met.

On December 15, 2010, the Board of Directors appointed Marco Petracchini as the head of the Internal Audit Department, upon a proposal of the CEO (in his capacity as the Director in charge of the internal control and risk management system) in agreement with the Chairman of the Board of Directors, having first received the favourable opinion of the Internal Control Committee ¹²⁰ and in consultation with the Board of Statutory Auditors. Following the election of the Board of Directors on May 5, 2011, the appointment of Mr. Petracchini was confirmed on May 19, 2011. The Board of Directors, having received the prior favourable opinion of the Control and Risk Committee and in consultation with the Statutory Auditors, upon the proposal of the CEO in agreement with the Chairman of the Board of Directors, also approves the fixed and variable of the structure of remuneration for the head of the Internal Audit Department, in keeping with Company policies, and ensures that he has adequate resources to perform his duties.

The head of the Internal Audit Department, without prejudice to the responsibilities of the Board of Directors regarding his appointment, removal, compensation and allocation of resources, reports to the CEO in his capacity as Director charged by the Board of implementing and maintaining an efficient internal control and risk management system. The Control and Risk Committee oversees the activities of the Internal Audit Department. The head of the Internal Audit Department also reports to the Board of Statutory Auditors in its capacity as the “Audit Committee” pursuant to US regulations.

The head of the Internal Audit Department is not responsible for any operational area, has direct access to any information which may be pertinent to the performance of his duties and has adequate resources at his disposal to carry out his duties.

Scope of activities

The Internal Audit Department of Eni SpA performs its assigned duties for Eni SpA and its subsidiaries, excluding the listed companies that have their own internal audit department (hereinafter, the “companies within the scope” and the “companies outside the scope”).

Specifically with regard to the companies outside the scope, the Internal Audit Department of Eni SpA provides internal audit tools and methodologies to be used by their internal

[118] For more information, please refer to the paragraph “Management System Guideline on Integrated Risk Management” of this Report.

[119] The Internal Audit Charter is annexed to the “Management System Guideline on the Internal Control and Risk Management System”.

[120] The Committee was renamed the Control and Risk Committee following adoption of the 2011 Corporate Governance Code on April 26, 2012.

audit departments (adapted as appropriate, where agreed). The Internal Audit Department of Eni SpA also performs internal audit work for: (i) associated companies and joint ventures (including jointly with its partners) on the basis of specific agreements and (ii) companies that, under applicable law, have their own internal audit departments; in this case, to take advantage of operational synergies, internal audit activities are entrusted to Eni's Internal Audit Department pursuant to specific agreements.

With regard to the companies within the scope, all their divisions, departments, units, processes and/or subprocesses, IT systems (including financial reporting systems) are subject to internal audit, without exception, with regard to the risks and resulting objectives of:

- i. efficient and effective of corporate processes;
- ii. reliable financial reporting;
- iii. compliance with the law, regulations, the By-laws and applicable rules, particularly with regard to Model 231 and anti-corruption regulatory instruments;
- iv. protection of capital (as a combined effect of the preceding types of internal audit activities).

Furthermore, the Internal Audit Department of Eni SpA:

- v. performs supervisory activities on behalf of the Eni Watch Structure;
- vi. conduct independent monitoring as provided for by the control system with regard to financial reporting and/or similar duties based upon the internal control model applicable and that are approved by the Board of Directors of Eni SpA;
- vii. oversees the investigation of concerns reported under the regulation in force in support of evaluations by the competent control bodies, including in their capacity as audit committee pursuant to US regulations;
- viii. carries out the preparations required for the engagement of Audit Firm pursuant to applicable law and verifies that they continue to satisfy the independence requirements throughout its appointment, reporting on such to the Board of Statutory Auditors of Eni SpA.

Duties

Internal Audit activities are scheduled based on the annual Audit Plan, which uses a structured analysis and prioritisation of the main risks faced by both Eni SpA and the companies within the scope (so-called "risk-based"), approved by the Board of Directors, subject to the prior opinion of the Control and Risk Committee, in consultation with the CEO and the Board of Statutory Auditors. The Eni SpA supervisory plan, approved by Eni's Watch Structure, pursuant to Eni's Model 231, forms an integral part of the Audit Plan.

The head of the Internal Audit Department of Eni SpA, who has direct access to any information which may be pertinent to the performance of his duties, may also order spot audits not provided for under the Plan based on specific requests made by the Board of Directors, the Control and Risk Committee, the Board of Statutory Auditors, the CEO, the COOs and the Watch Structure, as well as based on his own assessment.

The findings of each internal audit performed are reported in Internal Audit Reports, which are sent simultaneously to the

CEO of Eni SpA, also for the subsequent transmission to the structures audited, to the Chairman of the Board of Directors of Eni SpA, to the Control and Risk Committee and to the Board of Statutory Auditors of Eni SpA. The Internal Audit Reports are also sent to the Eni SpA Watch Structure, to the extent such falls within the scope of its duties, and to the control and supervisory bodies of the subsidiaries, with regard to internal audits involving them.

The Internal Audit Reports contain brief evaluations of the internal control system for the areas/processes audited, the description of the findings made and the limitations encountered, as well as recommendations. In response, the heads of the activities/areas audited are required to draw up corrective action plans, the implementation of which is monitored by the Internal Audit Department.

The head of the Internal Audit Department reports periodically on his activities, on the risk management process and on compliance with the plans developed to mitigate risk, as well as on the suitability of the internal control and risk management system. The reports are submitted to the Chairman of the Board of Statutory Auditors, the Chairman of the Control and Risk Committee, the Chairman of the Board of Directors and the CEO.

On March 11, 2013, the head of Eni's Internal Audit Department issued his Annual Report (covering the period from January 1 to December 31, 2012, updated as of the date of that Annual Report) in which he reported, in accordance with the CoSO Report adopted by Eni as its framework, that, as of the date of the Report, no situations were found that called into question the adequacy of Eni's overall Internal Control and Risk Management System.

Officer in charge of preparing financial reports (Financial Reporting Officer)

Pursuant to Art. 24 of the By-laws, in compliance with the provisions of Article 154-bis of the Consolidated Law on Financial Intermediation, the officer in charge of preparing financial reports (herein also FRO) is appointed by the Board of Directors, acting upon a proposal by the Chief Executive Officer, in agreement with the Chairman and subject to a favourable opinion of the Board of Statutory Auditors. The proposal is also examined by the Nomination Committee.

In accordance with the By-laws, the FRO must be selected from among candidates who have performed the following activities for at least three years:

- i. administration, control or senior management activities in companies listed on regulated stock exchanges in Italy or other European Union Countries or other OECD Countries with a share capital of no less than €2 million; or
- ii. auditing activities in companies indicated in letter (i) above; or
- iii. professional activities or university lecturing activities in the financial or accounting sectors; or
- iv. senior management roles in public or private entities with financial, accounting or control expertise.

Duties, powers and resources of the Financial Reporting Officer

In accordance with the law, the FRO is responsible for the internal control system as in relates to financial reporting and,

for this purpose, establishes the necessary administrative and accounting procedures for drafting the periodic accounting documentation and any other financial communication; moreover he certifies – together with the CEO – their adequacy and actual implementation during the period to which the aforementioned accounting documents refer through an appropriate report on the annual, half-yearly and consolidated financial statements. Pursuant to the aforementioned Art. 154-bis, the Board of Directors monitors adequacy of the powers and resources available to the FRO, as well as the observance of these procedures.

The Board of Directors, upon the proposal of the CEO in agreement with the Chairman, and having received the favourable opinion of the Board of Statutory Auditors and the prior review of the Nomination Committee, appointed Eni's Chief Financial Officer (CFO), Massimo Mondazzi ¹²¹, as the FRO on December 5, 2012; he replaced Alessandro Bernini, who held both positions from July 30, 2008 ¹²² to December 5, 2012. On March 14, 2013, the Board of Directors confirmed, having received the prior favourable opinion of the Control and Risk Committees, the adequacy of the "powers and resources" available to the CFO in his capacity as FRO and verified, after prior examination by the Control and Risk Committee, observance of the procedures he had put in place by law.

Eni Watch Structure

The Board of Directors of Eni SpA – in its meetings of December 15, 2003 and January 28, 2004 – approved an organisational, managerial and control model pursuant to Italian Legislative Decree No. 231 of 2001 (henceforth "Model 231") and created the associated Watch Structure.

The members of the Eni Watch Structure were most recently appointed by the Board of Directors, with the favourable opinion of the Board of Statutory Auditors, on May 19, 2011.

The composition of the Watch Structure – initially formed of only three members – was modified in 2007 with the inclusion of two external members, one of whom was appointed the Chairman of the Watch Structure itself, selected from among academics and professionals with proven experience in economic and company organisation matters.

The internal members are represented by the Senior Executive Vice President Legal Affairs, Executive Vice President Human Resources and Organisation and Senior Executive Vice President Internal Audit of the Company ¹²³.

At present, the Company has not elected to attribute the Watch Structure functions to its Board of Statutory Auditors, pursuant to Art. 6, paragraph 4-bis, of Italian Legislative Decree No. 231 of June 8, 2001 (hereinafter "Legislative Decree No. 231/2001"), as amended by Art. 14, paragraph 12, of Law No. 183 of November 12, 2011.

The Eni Watch Structure carries out the following main functions:

- i. monitoring the effectiveness of Eni's Model 231, as well as its implementation and updating;

- ii. examines the adequacy of Model 231 and guaranteeing its sound and efficient functioning over time by proposing any necessary updates;
- iii. monitoring the progress of its implementation by the subsidiaries and promoting the circulation and understanding of the procedures and tools for implementing the Model within such subsidiaries;
- iv. approving the annual programme of supervisory activities for Eni, coordinating its implementation and analysing the results;
- v. managing the flow of relevant information with the Company units and with the Watch Structures of the subsidiaries.

The synergies between the Code of Ethics (an integral part and essential general principle of Model 231) and Model 231 are highlighted by the assignment of the functions of Guarantor of the Code of Ethics to the Watch Structure of Eni SpA. Similarly, each subsidiary assigns Guarantor functions with respect to the Code of Ethics to its own Watch Structure.

Eni Watch Structure periodically reports on its activities to the Chairman, the CEO – who then informs the Board of Directors when reporting on the exercise of his delegated powers – the Control and Risk Committee and the Board of Statutory Auditors. These periodic reports are prepared on the basis of information obtained in the performance of its duties.

In 2012, the project of revising the MSG on the "Composition of the Watch Structures and the performance of their duties, in support of Eni subsidiaries", repealing and replacing the previous 2010 version, was completed. This MSG sets out the criteria for determining the composition of the Watch Structures of the subsidiaries and for selecting their members, as well as the guidelines for carrying out the activities pertaining to Watch Structures, without prejudice to their relative powers of initiative and control.

The new MSG incorporates the previous methodology used to classify and cluster the Eni subsidiaries with regard to further risk evaluations, the importance of which has been recognized in light of the experience gained during the initial period of application of the MSG.

The MSG has taken into account the provisions of Art. 14, paragraph 12, of Law No. 183/2011 which, in amending Art. 6, paragraph 4-bis of Legislative Decree No. 231/2001, provides for the possibility of assigning the Watch Structure functions to the Board of Statutory Auditors.

In addition, the basic principles and criteria defined for the composition and operating procedures of subsidiaries' Watch Structures have been integrated, aligning the new text to best practices and drawing on the lessons of the initial implementation activities.

Furthermore, new information flows between the various Eni SpA units involved in the process were defined to ensure complete and timely data transmission, and more detail on certain management/operational aspects, particularly with regard to the allocation of duties to members/candidates, the

[121] Massimo Mondazzi was appointed CFO by the CEO of Eni SpA on December 5, 2012.

[122] Alessandro Bernini was confirmed as FRO by the Board of Directors on May 19, 2011.

[123] For more information on the composition of the Watch Structure, refer to the chart in the section "Corporate Governance Model".

requirements of integrity, independence and professionalism and the grounds for ineligibility and/or incompatibility, have been added.

To ensure that the above requirements are satisfied, the rules have been enhanced to envisage a structured, transparent and efficient process for selecting external candidates through the evaluation of curriculum vitae and individual interviews. The Internal Audit Department is also responsible for conducting audits on behalf of the Eni Watch Structure, following a schedule set annually by the Watch Structure, which is an integral part of the Audit Plan. Moreover, the audits performed on subsidiaries' processes and/or subprocesses are deemed supplementary to, but not a replacement for, the supervisory activities that the subsidiaries' Watch Structures are required to perform under their respective Models 231.

Eni's Personnel-Management

As set forth in the Code of Ethics, the responsibility for implementing an effective internal control system is shared by all levels of Eni's organisational structure; consequently, all of Eni's personnel, consistent with their positions and duties, are called upon to define and actively participate in the proper implementation of the internal control system.

More specifically, the CEO and/or Chief Operating Officers of the Divisions – in exercising the powers entrusted to them by the Board of Directors – are responsible for ensuring the development, implementation and maintenance of an effective and efficient internal control system and assign to the management for the operational areas the necessary duties, responsibilities and powers for pursuing this aim in performing their respective activities and achieving the related objectives. Eni has also formed a number of committees and has appointed managers to be actively involved in the internal control and risk management system, including the Compliance Committee, the Risk Committee, and the Senior Vice President of the Integrated Risk Management unit ¹²⁴.

Finally, the Company's own rules governing the internal control and risk management system, which are in line with the recommendations of the Corporate Governance Code, envisage controls conducted on three levels ¹²⁵, adapted to fit the specific needs of the Company and its subsidiaries.

Eni Regulatory System

Eni is committed to ensuring the integrity, transparency, propriety and efficiency of its processes through the adoption of appropriate instruments and rules for the performance of its activities and the exercise of powers, promoting rules of conduct based on the general principles of traceability and segregation of activities.

Each component of that system is integrated in the Company's Code of Ethics, which identifies the fundamental values, among others, of the formal and substantive legitimacy of the conduct of the members of corporate bodies and all employees, accounting transparency and the dissemination of a mentality directed at the exercise of control.

Eni is fully aware that investors rely on the full compliance of Company's corporate bodies, management and employees with the set of rules making up the corporate internal control system.

The features of the Eni Regulatory System

On July 28, 2010, Eni's Board of Directors approved the basic guidelines of the New Eni Regulatory System, with the goal of rationalising, integrating, and simplifying Eni's regulatory system. The New Regulatory System is characterised by four main elements:

- i. the shift from a traditional approach organised by corporate function to one based on business processes, with the establishment of a new role, the "Process Owner" ¹²⁶, who is responsible for the process under their responsibility and for assessing the adequacy of the latter's design, monitoring its effective implementation;
- ii. the placement of a greater emphasis on the management and coordination role that Eni SpA plays for its subsidiaries, while ensuring the latter's management independence;
- iii. the integration of compliance principles with Company processes (Integrated Compliance), with the aim of transposing and disseminating control rules and standards specified under the various compliance models within the operational context of corporate processes;
- iv. the simplicity of the system architecture, reducing the various types of documents and improving their usability, with simplified terminology and search methods.

To this end, all of Eni's activities have been grouped into a map of processes cutting across the organisational and corporate structure. The "process" is the key element around which the regulatory system is developed: the system is tailored to Company activities and integrated with control requirements and principles.

The entire body of rules is grounded on a consistent framework, the essential elements of which include the By-laws, the Code of Ethics, the Corporate Governance Code, Model 231 Principles, SOA Principles and the CoSO Report.

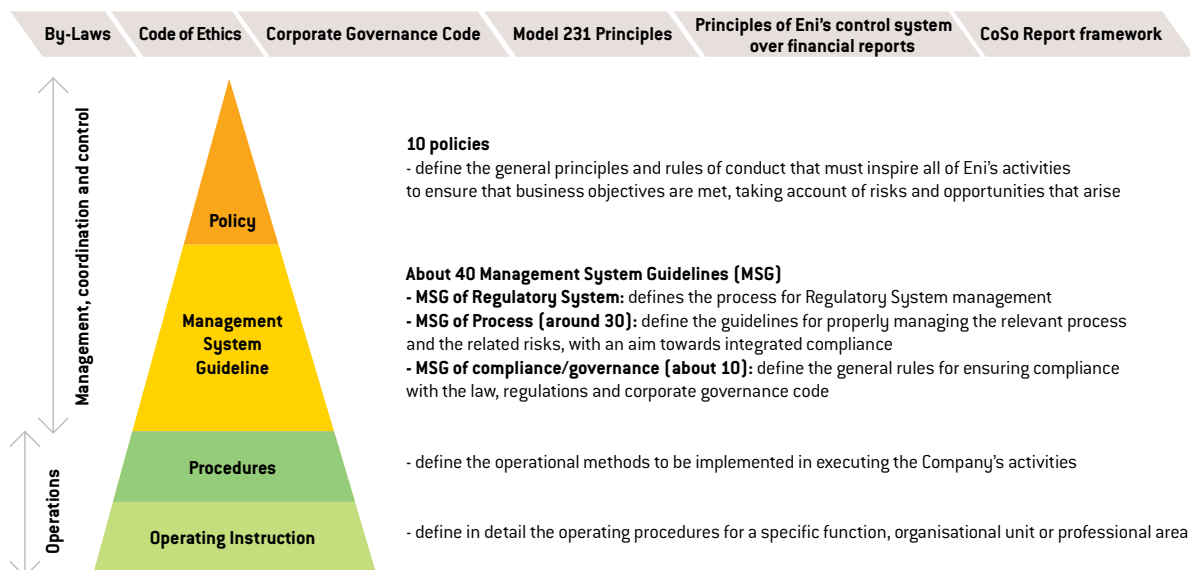
The simplification of the system architecture produced four levels of regulatory documents: the first two levels are dedicated to management and coordination activities ("Policies" and "Management System Guidelines"), while the other two levels ("Procedures" and "Operating Instructions") provide details for managing operations, in accordance with the principles and rules set out at the first two levels.

[124] For further information, please refer to the paragraph "Integrated Risk Management".

[125] For further information, please see the paragraph "Management System Guideline on the Internal Control and Risk Management System".

[126] The role of Process Owner may be held by a single person, if the process is centralised, or by a committee, in the case of processes shared among several business areas.

General overview of the Regulatory System



More specifically:

- i. Policies are mandatory documents that define the fundamental principles and rules of conduct that must inspire all of Eni's activities, taking into due account of risks and opportunities. Policies cut across processes and each focuses on a key element of Company management;
- ii. Management System Guidelines (MSG) define the guidelines common to all Eni units and may regard either processes or compliance/governance;
- iii. Procedures define the operational methods to be implemented in executing the Company's activities;
- iv. Operating Instructions are an additional level of detail for representing the operating procedures for a specific function, organisational unit or professional area.

Eni Policies apply to Eni SpA and, following the receipt process, all Eni subsidiaries. The individual MSGs issued by Eni SpA apply to subsidiaries, which take steps to ensure the receipt process, except in cases where there is a need for an exemption¹²⁷. Listed subsidiaries are guaranteed management independence, which has already been granted by the Board of Directors: where necessary, they adjust the Management System Guidelines to the specific characteristics of their company, in line with their management independence and taking due account of the interests of non-controlling shareholders.

In October 2010, Eni undertook the development of the New Regulatory System and by the end of 2012, had issued 10 policies, 26 process MSGs and 7 compliance MSGs. As of that date, then, Eni had nearly completed the redesign of its processes and the redefinition of previously issued governance/compliance guidelines.

All of the Policies and MSGs have been published on the corporate intranet and disseminated to the subsidiaries,

including listed subsidiaries, for the subsequent phases for which they are responsible: formal receipt and adjustment of their existing regulatory systems. Some of these have also been published on the Company's website.

The rationalization and simplification of the entire body of Eni procedures involves, after the issue of each MSG, the issue of procedures and operating instructions developed under the new rules and the concomitant repeal of documentation belonging to the previous regulatory system.

To support the process of implementing the New Regulatory System, since 2011 Eni has pursued a system roll-out project at both foreign and Italian subsidiaries. The roll-out project, using specific support instruments (Gap Analysis tools and Action Plans), essentially consists in helping subsidiaries with the receipt process of the system and subsequent adjustment of existing regulatory systems to comply with the provisions of the individual Eni SpA MSGs, where applicable. In 2012, some 100 subsidiaries were included in the project (all significant subsidiaries in terms of size or operations, excluding listed companies or those subject to unbundling regulations). Finally, it was monitored the receipt process of the regulatory instruments issued by the subsidiaries took place and it was realized the certification of the suitability of the design of the MSGs by the associated Process Owners. The project will continue in 2013.

With specific regard to the adoption of the Corporate Governance Code for listed companies, which took place on April 26, 2012 and in accordance with the provisions of the new Article 7, the Board of Directors finalised a number of major initiatives (discussed in more detail below) to further strengthen Eni's internal control and risk management system, with the rationalisation of the regulatory instruments and information flows among the main actors of the system.

[127] Exemptions occur only in exceptional circumstances. Management System Guidelines in compliance and governance areas govern the scope of application and the scope for exemptions.

Management System Guideline “Internal control and risk management system”

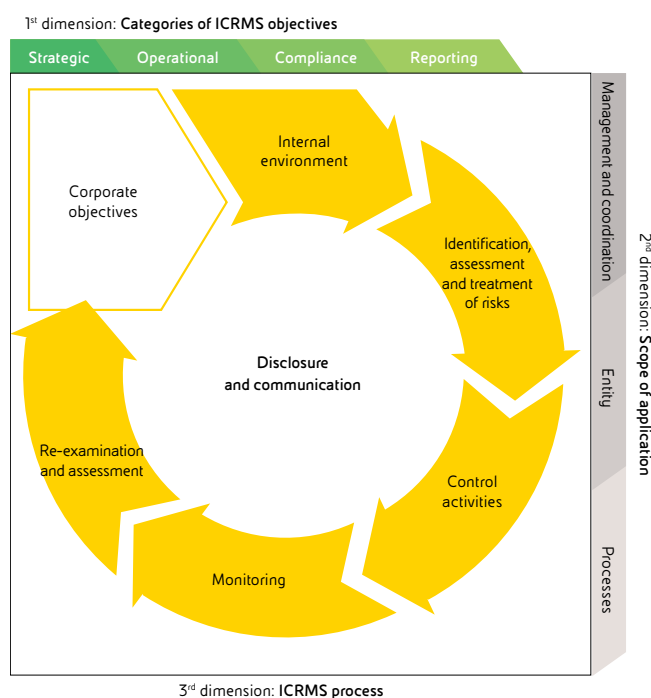
With a resolution of March 14, 2013, the Board of Directors, subject to the prior opinion of the Control and Risk Committee and upon its proposal, approved the “Guidelines for the Internal Control and Risk Management System”, entrusting the CEO with their implementation, with the issue of the associated Management System Guideline now under way. The MSG will accompany the previous instrument, issued on December 18, 2012, which with a model for the integrated management of corporate risks was development and implemented.

The rules with which the CEO will implement them are being drafted. In incorporating the principles delineated by the Board, they (i) consolidate and structure within a single document the various elements of the Eni internal control and risk management system; (ii) define the model of relations between Eni SpA and the subsidiaries in this area; (iii) at the same time exploit the opportunities for the rationalisation of reporting flows and the integration of controls and monitoring activities.

The system guidelines specified by the Board of Directors, which are mandatory for the subsidiaries, including listed subsidiaries, are designed to ensure that the main risks to which Eni is exposed are correctly identified, measured, managed and monitored and set out reference principles, roles and responsibilities for the key players in the system, as well as the criteria that the CEO must follow in implementing those guidelines.

The CEO has set out the reference framework of the internal control and risk management system for implementation at Eni SpA and at the subsidiaries, structuring it into the following dimensions and levels:

Framework of ICRMS



The first dimension represents the view of the Internal Control and Risk Management System (ICRMS) in relation to the objectives and associated risks that the ICRMS is intended to pursue and manage: Strategic, Operational, Compliance and Reporting.

The second dimension regards the scope of application on the basis of which the ICRMS is structured:

- the management and coordination exercised by Eni SpA over the subsidiaries;
- entity: Eni SpA and the individual subsidiaries, on the basis of their legal and management independence, establish an appropriate, functional ICRMS under their own responsibility;
- processes adopted by Eni, on the basis of which the ICRMS is structured.

The third dimension represents the ICRMS process and the individual phases of which it is composed: (i) definition and implementation of the internal environment; (ii) identification, assessment and treatment of risks; (iii) definition and implementation of control activities; (iv) monitoring; (v) re-examination and assessment of the entire system and (vi) disclosure and communication. This process is:

- continuous, focusing on improving the overall ICRMS, influencing the definition and achievement of corporate objectives;
- integrated into corporate operations, as well as organisational and governance arrangements;
- interactive, as the individual phases, while organised into a logical sequence, can receive feedback from the development of each of the other phases so that the value generated by the process is not merely the sum of the value generated by the individual phases;
- performed by people, through the activities (and the associated reporting) carried out in pursuing corporate objectives.

The Eni ICRMS is structured into the following three levels of internal control:

- first level of control identifies, assesses, manages and monitors the risks for which it is responsible, for which it identifies and implements specific management actions;
- second level of control monitors the main risks in order to ensure the effectiveness and efficiency of their management; also responsible for monitoring the appropriateness and operation of controls implemented for the main risks. It also provides support to the first level in defining and implementing adequate systems for managing the main risks and the associated controls;
- third level of control provides independent, objective assurance on the appropriateness and effective operation of the first and second control levels and, more generally, on the Eni ICRMS as a whole.

The structure of the first and second control levels is consistent with the size, complexity, specific risk profile and regulatory environment in which each company operates.

The third level of control is exercised by the Internal Audit department of Eni SpA, which on the basis of a centralised model ¹²⁸ performs its controls using a risk-based approach to the overall Eni ICRMS, monitoring Eni SpA and the subsidiaries.

In order to enable management and the management and control bodies to perform their roles within the ICRMS, specific reporting

(128) Listed companies with their own internal audit function are not subject to the audits performed by Eni SpA's Internal Audit department.

flows have been established between the control levels and the management and control bodies. The flows are coordinated and appropriate in terms of content and timing.

All flows supporting the assessment of the ICRMS by the Board of Directors are channelled through the Control and Risk Committee of Eni SpA, whose analysis is reported directly to the Board of Directors in its periodic reports or through the release of specific opinions. These flows are also transmitted to the Board of Statutory Auditors of Eni SpA to enable it to perform its statutory duties in the field of internal control and risk management system.

Implementation modalities by subsidiaries

It is the responsibility of the Board of Directors or equivalent body of each Eni subsidiary to establish, manage and maintain its own ICRMS.

Eni SpA, as part of its management and coordination of the subsidiaries, issues and disseminates the guidelines and associated implementation model, which will be contained in the ICRMS MSG, with which the subsidiaries must comply, establishing an adequate process for monitoring its implementation in the manner envisaged in the Eni Regulatory System.

Without prejudice to the guidelines set out in the Eni ICRMS, the subsidiaries may adopt the most appropriate procedures for implementing the ICRMS in a manner consistent with their size, complexity, specific risk profile and the regulatory environment in which they operate, with the independence that characterises the operation of the subsidiary and its bodies and functions, including with regard to statutory requirements.

Management System Guideline Integrated Risk Management

On December 13, 2012, the Board of Directors, after the prior opinion of the Control and Risk Committee, approved the "Integrated Risk Management Principles", in implementation of which on December 18, 2012, the CEO issued the Management System Guideline "Integrated Risk Management" (hereinafter, also "MSG IRM").

The latter governs the various phases and activities of the integrated risk management (IRM) process, identifying the roles and responsibilities of the main actors involved. The IRM process, which is based on a structured, systematic approach, is designed to ensure that the main risks can be effectively identified, assessed, managed, monitored, represented and, where possible, translated into opportunities and competitive advantage. With this MSG, Eni has developed and implemented a model for the integrated management of corporate risks, forming an integral part of the internal control and risk management system. The model, which was developed in accordance with international principles and best practices ¹²⁹, is intended to provide both a comprehensive and summary vision of company risks, ensure greater consistency in the methods and instruments supporting risk management and strengthen awareness at all levels of the fact that adequate assessment and management of risks of different nature can influence the achievement of Company

objectives and affects its value.

To this end, the model is composed of the following fundamental elements:

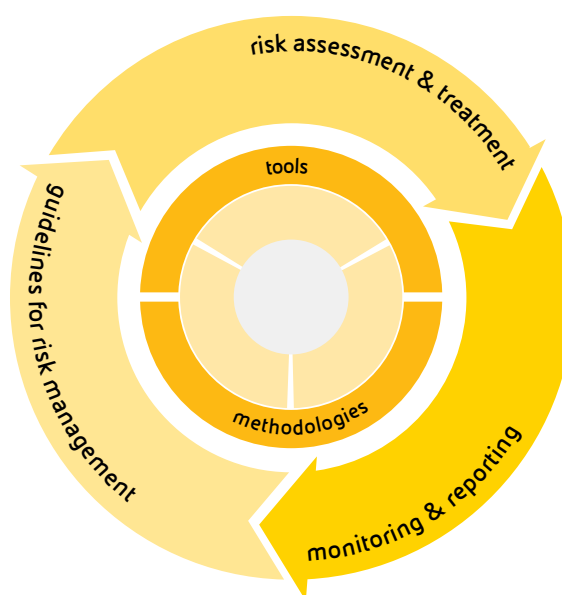
- i. Risk Governance: this represents the basic system from the point of view of the roles, responsibilities, and information flows for the management of the Company's main risks; the model establishes roles and responsibilities for three distinct levels of control of these risks ¹³⁰;
- ii. Process: this represents all the activities by which the various actors identify, measure, manage and monitor the main risks that could influence whether Eni achieves its objectives;
- iii. Reporting: this identifies and represents the results of risk assessment, highlighting the most important risks, evaluating them in terms of probability and potential impact and identifying the associated risk treatment plans.

Risk Governance includes:

- the Risk Committee, chaired by the CEO and composed of the top management of Eni SpA. It provides advice to the CEO on the main risks;
- the Integrated Risk Management function, which reports directly to the CEO. Among other duties, it: (i) develops tools/methods for the Integrated Risk Management process to identify, measure, represent and monitor the main risks and the associated treatment plans; (ii) presents findings on the main risks and the associated risk treatment plans to the Risk Committee and, at least semi-annually, to the Control and Risk Committee as well as, where requested, to other control and overseeing bodies and (iii) identifies, in cooperation with the business areas and functions of Eni, proposals for updating the risk management systems.

The IRM process is composed of three sub-processes: [1] risk management lines; [2] risk assessment & treatment; [3] monitoring & reporting.

As regards the "risk management lines" sub-process, as noted



[129] CoSO - Committee of Sponsoring Organisations of the Treadway Commission [1992], Internal Control, Integrated Framework. ISO 31000:2009 - Principles and Guidelines on Implementation.

[130] The first level of control identifies, assesses, manages and monitors the risks for which it is responsible, for which it identifies and implements specific management actions; the second level monitors the main risks in order to ensure the effectiveness and efficiency of their management; also responsible for monitoring the appropriateness and operation of controls implemented for the main risks; the third level of control provides independent, objective assurance on the appropriateness and effective operation of the first and second control levels.

the Board of Directors, subject to the prior opinion from the Control and Risk Committee, establishes the guidelines for the internal control and risks management system so that the main risks to which Eni is exposed are correctly identified and appropriately measured, managed and monitored.

In addition, the Board of Directors determines, subject to the prior opinion of the Control and Risk Committee, the compatibility of those risks with operating the company in a manner consistent with our strategic objectives. To that end, the CEO presents on at least a semi-annual basis to the Board of Directors on the main risks of Eni, taking due consideration of the operations and specific risk profiles of each business area and the individual processes, so as to develop an integrated risk management policy.

The “risk assessment & treatment” sub-process identifies and assesses the main risks and defines the associated treatment actions.

Depending on the strategic objectives/sub-objectives of each business area, the functions/units that are expected to make a significant contribution to their achievement are identified. Then, using a top-down approach, the “Risk Owners”, i.e. the actors responsible at the various organisational levels, for identifying, assessing, managing and monitoring the main risks under their sphere of competence, and the associated treatment actions, are identified.

More specifically, the identification of risks is intended to identify and describe the main events that could impact the achievement of corporate objectives. The assessment of risks is intended to measure the scale of the identified risks and generate information that can be used to establish whether, and with which strategies and approaches, it is necessary to initiate treatment actions. Finally, as regards the main risks identified and assessed in the risk assessment activities, the most appropriate risk treatment strategies are defined, such as avoiding the risk, accepting it, reducing it or sharing it. The “monitoring & reporting” sub-process involves monitoring risks and the associated treatment plans and ensuring, at the various organisational levels, the availability and representation of information on the management and monitoring of the main risks.

More specifically, risk monitoring enables: (i) the identification of areas for improvement and issues concerning the management of the main risks; (ii) the analysis of developments in those risks and the identification of possible additional treatment measures, including with regard to the updating and development of risk management models and (iii) identifying and promptly reporting the emergence of new risks. Risk monitoring activities are documented in order to ensure traceability and verification, as well as the replicability of risk identification and the accessibility of the information acquired.

In order to support corporate decision making, the findings of the periodic risk assessment and monitoring activities are presented to the Risk Committee, chaired by the CEO. The latter reports on them to the Board of Directors, to enable

it to assess, on at least an annual (semi-annual) basis the adequacy and effectiveness of the internal control and risk management system in relation to the characteristics of Eni and the risk profile assumed, which must be compatible with corporate objectives.

In line with the IRM process, on December 13, 2012, the CEO presented the main Eni risks to the Board of Directors following the first risk assessment cycle, during which the operational mechanisms of the new IRM process were finalised.

In early 2013, the new risk assessment cycle was initiated. Among other things, it provides for the analysis of the new 2013-2016 Strategic Plan to identify possible developments in the risk profile in relation to potential discontinuities in strategies or the internal and external context.

Main characteristics of the risk management and internal control systems applied to the financial reporting process (Management System Guidelines “Eni’s internal control system over financial reporting”)

The internal control system applied to financial reporting aims to provide reasonable certainty about the reliability¹³¹ of financial reporting, and of the capacity of the financial report drafting process to yield financial reporting that complies with the generally accepted international accounting principles. On May 30, 2012, the Board of Directors of Eni adopted the Management System Guideline “Eni’s internal control system over financial reporting”¹³² (hereinafter also “MSG”), which sets out the rules and methods for the design, implementation and maintenance of Eni’s internal control system applied to financial reporting for external purposes and the assessment of its effectiveness.

The contents of the MSG were defined in accordance with the provisions of Article 154-bis of the Consolidated Law on Financial Intermediation and the provisions of the US Sarbanes-Oxley Act of 2002 (SOX), to which Eni is subject as an issuer listed on the New York Stock Exchange (NYSE), and are based on the model adopted by the CoSO Report (“Internal Control - Integrated Framework” published by the Committee of Sponsoring Organizations of the Treadway Commission).

The MSG applies to Eni SpA and its direct or indirect subsidiaries, including listed companies, in compliance with international accounting standards, in consideration of their materiality with regard to the preparation of financial reporting documents. All subsidiaries, regardless of their materiality for the purposes of the Eni’s control system over financial reporting, adopt the MSG as a reference framework for planning and implementing their own internal control system over financial reporting, tailoring it to their size and the complexity of the activities carried out. The planning, implementation and maintenance of the internal control system applied to the financial reporting process are carried out through a structured process that includes risk assessment, the identification of controls associated to the risk, the assessments of the controls and information

(131) Reliability (of reporting): reporting that is accurate and complies with generally accepted accounting principles and meets the requirements of applicable law and regulations.

(132) The MSG updates and replaces the previous Company rules in this field adopted by the Board of Directors on December 15, 2010.

flows [reporting]. The risk assessment process, which is conducted using a “top-down” approach, seeks to identify the organisational entities, companies, processes and specific activities that may generate risk of unintentional errors or fraud that may have a significant impact on the financial statements. In particular, the organisational entities that fall within the scope of the control system applied to the financial reporting process are identified both on the basis of the contribution of the various entities to certain aggregates of the consolidated financial statements (total assets, total financial debt, net revenues, income before tax), and in relation to the existence of processes that contain specific risks that – if they were to materialise – could jeopardise the reliability and accuracy of financial reporting (such as fraud-related risks) ¹³³.

For companies falling within the scope of the control system applied to the financial reporting process, material processes are subsequently identified on the basis of an analysis of quantitative factors (processes that contribute to items of the financial statements in amounts exceeding a given percentage of income before tax) and qualitative factors (for example, the complexity of the accounting treatment of the account; measurement and estimation processes; new or significant changes in business conditions).

On the bases of material processes and activities the associated risks are identified, i.e. potential events that – if they were to materialise – could jeopardise attainment of the control objectives with regard to financial reporting (for example financial statement assertions) are identified.

The identified risks are assessed in terms of their potential impact and probability of occurrence, on the basis of quantitative and qualitative parameters and assuming the absence of a control system (inherent evaluation).

In particular, with reference to fraud risks ¹³⁴ at Eni, a dedicated risk assessment is conducted using a specific methodology for “anti-fraud programs and controls” referred to in the MSG.

A control system has been defined with regard to material companies, processes and the associated risks that is based on two fundamental principles, namely: (i) the dissemination of controls at all levels of the organisational structure, in accordance with their operating responsibilities; (ii) the sustainability of controls over time, so as to ensure that their implementation is integrated and compatible with operational requirements.

The structure of the control system applied to the financial reporting process includes controls implemented at entity level that operate across the reference entity (group/division/individual company), in addition to controls implemented at the process level.

The controls implemented at entity level are organised into a checklist developed in accordance with the model adopted in the CoSO Report, which is based on five components (the control environment, risk assessment, control activities, information and communication, monitoring).

Of particular importance are the controls relative to the

specification of the timetable for preparing and disseminating financial and economic results (“semi-annual and annual financial statements circular” and the associated calendars); the existence of appropriate organisational structures and a regulatory framework adequately designed to ensure the achievement of financial reporting objectives (these controls include, for example, the review and updating by specialised Company units of the Group’s regulations concerning financial reporting and the Group’s chart of accounts); training in accounting principles and the internal control system applied to financial reporting; and, finally, activities concerning the information system for managing the consolidation process (Mastro).

The controls implemented at the process level are grouped as follows: specific controls intended as a set of manual or automated activities aimed at preventing, identifying or correcting errors or irregularities that occur during the course of operational activities; and pervasive controls intended as structural elements of the control system applied to financial reporting and aimed at defining a general context that promotes the correct execution and control of operational activities (such as, for example, the segregation of incompatible tasks and the general computer controls, which include all controls designed to ensure the correct operation of IT systems).

In particular, among the specific controls, the Company procedures identify the so-called “key controls”, the absence or non-functioning of which can give rise to the risk of errors/fraud that impact the financial statements and that cannot be identified by other controls.

Both the controls implemented at the entity level and controls implemented at the process level are subject to evaluation (monitoring) to verify the effectiveness of their design and actual functioning over time. For this purpose, the following activities have been defined: on-going monitoring activities – carried out by the management responsible for the relevant processes/activities – and separate evaluations – performed by the Internal Audit Department, which follows a pre-defined plan, transmitted by the CFO/FRO – aimed at defining the scope and objectives of the interventions through agreed audit procedures.

In addition to its independent monitoring activities, the Internal Audit Department, on the basis of the annual Audit Plan approved by the Board of Directors and prepared using a “top-down risk-based” approach, carries out compliance, financial and operational audits. The findings of the independent monitoring conducted by Internal Audit and the periodic reports containing an assessment of the appropriateness of the ICRMS emerging from the audit activities performed are transmitted to the CFO/FRO as well as top management and the control and supervisory bodies for the purpose of conducting the evaluations for which they are responsible.

The monitoring activities allow identification of any deficiencies in the control system applied to financial reporting that are subject to evaluation in terms of probability and impact on

[133] Organisational entities considered within the scope of the internal control system include companies formed and governed by the laws of Countries that do not belong to the European Union, to which the regulatory provisions of Article 36 of the Consob Market Regulations apply.

[134] Fraud: in the context of the control system, any act or intentional omission that gives rise to a deceptive statement in the reporting.

Eni's financial reporting. On the basis of their importance, they are classified as "deficiencies", "material weaknesses", or "significant deficiencies".

The results of the monitoring activities are included in a periodic report on the state of the control system applied to financial reporting. This reporting is conducted using computerised tools that enable the traceability of information on the adequacy of the design and functioning of the controls.

On the basis of this reporting activity, the CFO/FRO drafts a report on the adequacy and actual implementation of the control system applied to financial reporting. This report – following approval by the CEO – is submitted to the Board of Directors, after review by the Control and Risk Committee, during the approval of the draft annual and semi-annual financial statements, in order to ensure the execution of the aforementioned supervisory activities and evaluations regarding the internal control system applied to financial reporting.

Furthermore, the above-mentioned report is also transmitted to the Board of Statutory Auditors, in its role as the audit committee pursuant to US law.

The activity of the CFO/FRO is supported within Eni by various people, whose roles and responsibilities are defined in the aforementioned MSG. In particular, the control activities involve all levels of Eni's organisational structure, from the operational business managers and unit managers to the executives and CEO. In this organisational context, a particularly important role in the internal control system is carried out by the person who performs line monitoring (the so-called "tester"), assessing the design and operation of the specific and pervasive controls, providing information for reports on monitoring activities and any deficiencies encountered, in order to ensure the timely identification of any necessary corrective actions.

Model 231

In accordance with the Italian regulations concerning the "administrative liability of legal entities deriving from criminal offences" contained in Legislative Decree 231 of June 8, 2001 (henceforth, "Legislative Decree 231/2001")¹³⁵, legal entities, including corporations, may be held liable – and consequently fined or subject to prohibitions – in relation to certain crimes committed or attempted in Italy or abroad in the interest or for benefit of the Company.

Companies may nonetheless adopt an appropriate organisational, management and control model (hereinafter, Model 231) for preventing such offences. Following the initial approval of Model 231 and subsequent updates in compliance with legislative changes affecting its application, at its meeting of March 14, 2008, the Board of Directors of Eni – after consulting the Board of Statutory Auditors – approved its overall updating in reflection of organisational changes within Eni, changes in the legislative framework and developments in case law and legal theory, as well as on the basis of other issues

deriving from the application of the Model, including experience gained in litigation, the practices of Italian and foreign companies with regards to such models, the outcomes of monitoring activities, and the results of internal audit activities. Eni's Model 231 is a set of principles and a point of reference for subsidiaries. It is sent to each subsidiary as a basis for them to adopt and/or update their own models.

Any listed subsidiaries and subsidiaries in the gas and electricity sector that are subject to unbundling regulations adopt their own models and adjust them as necessary, in accordance with their own company characteristics and with the principle of management independence.

The representatives designated by Eni on the corporate bodies of associates, consortia and joint ventures promote the principles and contents of Model 231 within their respective spheres of competence.

Control arrangements (general transparency standards for activities and specific control standards) have been established for the purpose of preventing the offenses envisaged under Legislative Decree 231/2001 and have been incorporated into the relevant Company procedures.

The Eni Watch Structure is responsible for identifying these controls – which are approved by the CEO during the updating activities – and transmitting them to the relevant Company units. In accordance with the provisions of the law, a disciplinary system has been introduced to sanction any violations of Model 231 and failure to comply with the Company procedures implementing the control provisions.

The Board of Directors plays a fundamental role with regard to Model 231 issues since, as mentioned previously, it has reserved itself the power to approve Model 231 and establish and appoint the members of the Watch Structure, on whose activities it receives periodic reporting through the CEO. The CEO is responsible for implementing and updating Model 231, in compliance with the powers conferred to him by the Model itself.

To this end, the CEO has set up a special multifunctional team ("Team 231"), which is responsible for drafting proposals for updates.

During 2012, activities to update Model 231 were completed for the following types of crime entailing administrative liability for legal entities: organised crime, crimes against industry and commerce, copyright violation, and inducement to withhold statements or to make false statements to judicial authorities, as well as environmental crimes.

At the end of 2012, work began on the "Program to Transpose Innovations" for the Eni SpA Model 231 for the following offences: undue inducement to give or promise benefits, bribery between private parties, employment of illegally resident citizens of other Countries.

The increase in the number of crimes entailing administrative liability pursuant to Legislative Decree 231/2001 has led

[135] The current scope of application of Legislative Decree 231/2001 comprises: (i) offenses against the public administration and the public faith; (ii) corporate offences; (iii) crimes associated with the subversion of the democratic order and terrorist financing; (iv) offenses against individual personhood; (v) market abuse ("abuse of inside information" and "market manipulation"); (vi) crimes against the person; (vii) transnational crimes; (viii) manslaughter and serious negligent personal injury in violation of workplace health and safety regulations; (ix) the handling of stolen goods, money laundering or the use of money, goods or benefits from of illegal origin; (x) computer crimes and the illegal processing of data; (xi) organised crime; (xii) crimes against industry and commerce; (xiii) copyright violation; (xiv) inducement to withhold statements or to make false statements to judicial authorities; (xv) environmental crimes; (xvi) bribery between private parties and (xvii) undeclared labour.

to a need to activate the operational and communication flows described in Model 231 for its revision and updating. To that end, the duties, activities and composition of Team 231 were updated, benefiting from the contribution of company professionals with specific expertise in these areas. In order to ensure the appropriate implementation of Model 231, training and/or communication activities tailored to the recipient (including third parties and the market) have been planned. In 2012, Model 231 training activities continued through multimedia web based training courses (WBT 231) aimed at executives, managers and key officers of Eni and subsidiaries in Italy and abroad (excluding listed companies and companies subject to unbundling regulations), with the aim of imparting in-depth understanding of both the Code of Ethics and Model 231. Classroom training was also provided in 2012 by the Eni Legal Affairs department for young graduates on aspects of the Code of Ethics and for key officers on Model 231 issues. Model 231 and the Code of Ethics are published on Eni's website www.eni.com¹³⁶ and are accessible on the Company intranet.

Anti-Corruption compliance programme

Eni's commitment in the fight against corruption remains a high priority. Eni conducts a constructive dialogue with the outside world to disseminate its Anti-Corruption programme and works to develop of best practices that enable it to present itself as a responsible, reliable and competitive partner.

Eni's efforts to make ethical conduct and the fight against corruption an integral part of all of its activities continued without pause in 2012. This helped to ensure strong involvement at all levels in adopting conduct that was compliant with these principles and contributed to improving the ability of Eni to manage and mitigate the risks associated with its operations.

After the entry into force on January 1, 2012, of the Eni regulations that, in line with the UK Bribery Act, extended the scope of prohibited to relations between private individuals, the detailed anti-corruption rules governing individual at-risk operations (during 2012, 16 Anti-Corruption regulations were issued).

All of the unlisted subsidiaries of Eni in Italy and abroad are required to adopt, with a resolution of the Board of Directors (or the corresponding body/function if the governance arrangements of the subsidiary do not provide for such a body), the anti-corruption rules adopted by Eni SpA. Listed subsidiaries adopt and implement the anti-corruption rules of Eni SpA, with a resolution of the Board of Directors (or the corresponding body/function/role if the governance arrangements of the subsidiary do not provide for such a body), taking due account of the specific circumstances of the company.

Eni also uses its influence to ensure that the company and the entities in which Eni has a non-controlling interest comply with the standards set out its internal anti-corruption rules by adopting and maintaining an adequate internal control system that complies with the requirements of anti-corruption legislation.

The representatives designated by Eni in such companies and entities are required by Eni to do everything in their power to ensure the adoption of the standards specified in Eni's anti-corruption regulations.

To this end, the activity of Eni's representatives in joint ventures deserves special attention. Those representatives are required by Eni to carry out a series of activities whose primary purpose is to propose to the joint venture the adoption and implementation of an anti-corruption control programme in line with Eni's own programme and to document any refusal by the joint venture to comply with the Eni's anti-corruption programme.

In order to monitor the manner in which the joint venture conducts its operations, the Eni's representative is also required to report any red flags concerning in the activities of the joint venture, the partners, the representatives of the partners, the directors, managers and employees related to the joint venture and immediately alert the Eni Anti-Corruption Legal Support Unit of any deficiencies or suspected violations. In 2012, the Anti-Corruption Legal Support Unit continued to provide specialist anti-corruption legal assistance in relation to the activities of Eni SpA and its unlisted subsidiaries, to review and periodically update Eni's anti-corruption regulations in order to ensure their continuing effectiveness, taking into account any gaps and weaknesses reported by the different functions and the evolution of best practices at the international level, to provide mandatory training, and ensure the flow of information, with the drafting of a special semi-annual report, reporting its activities to the Watch Structure, the Board of Statutory Auditors, the Control and Risk Committee and the Chief Financial Officer of Eni SpA.

As regards the initiatives in the annual Audit Plan approved by the Eni Board of Directors, Eni's Internal Audit department independently examines and evaluates the adequacy of and compliance with Eni's anti-corruption instruments for the aspects falling within the scope of the process/area being audited.

The anti-corruption training programme for Eni employees (launched in late 2009) also continued in 2012, with both e-learning tools and classroom training events (workshops) for "employees at risk" as identified by the Human Resources function of each individual company based on the type of duties performed.

A second round of mandatory anti-corruption training was launched in 2013. In view of developments in international and national legislation and Eni's new internal anti-corruption regulations, the content of the anti-corruption e-learning programme has been updated. The new e-learning course, which will be delivered in 2013, is designed to foster an understanding of the importance of compliance by Eni employees with anti-corruption legislation and the Eni anti-bribery compliance programme, as well as to provide basic tools for recognizing conduct that can constitute a violation, the actions to be taken to prevent and combat corrupting events, and the risks, liability and penalties that may result. From 2010 to 2012, 6,370 employees received training. During 2012, training

[136] At the following address: http://www.eni.com/en_IT/governance/governance-controls/controls-internal-control-system/controls-model-231/model-231.shtml.

was also extended to Eni suppliers at the most sensitive Italian industrial sites.

The Eni Anti-Corruption Legal Support Unit actively contributes to initiatives on the matter, both to promote and disseminate Eni's commitment to the fight against corruption and to ensure the continuous improvement of internal regulations through contact with international best practices. Eni's commitment to the fight against corruption also involves active participation in conferences and membership in international working groups. In these areas, Eni encourages and promotes dialogue and the exchange of information in the fight against corruption, partly with a view to promoting and disseminating its values. In this regard:

- i. Eni participated in the anti-corruption working group formed within the B20 in order to develop recommendations in this area for the Heads of State and Government of the G20. These recommendations were officially presented at the G20 Summit in Los Cabos, Mexico, in June 2012. Eni will also be one of the three co-leaders of the B20 working groups for the next B20-G20 Summit in 2013 in Russia together with a Russian company and a South African company. More specifically, Eni will co-chair of the task force on "transparency and anti-corruption";
- ii. Eni cooperates with the International Bar Association (IBA) on the project "Anti-Corruption Strategy for the Legal Profession" launched jointly by the Organisation for Economic Co-operation and Development (OECD) and the United Nations Office on Drugs and Crime (UNODC). The IBA is the world's leading organization of international law professionals and bar associations. Eni was invited to participate, as the only private company, between September 2011 and the end of 2012, in a series of conferences on the fight against corruption organized by the IBA and various national legal councils, for the legal professionals working in the leading law firms in these Countries;
- iii. within the scope of the Global Compact of the United Nations, Eni is a member of the "Global Compact Working Group on the 10th Principle". In 2012, Eni joined the Sub-Working Group on "Sport Sponsorship and Hospitality. A practical guidance for business", where we are playing an active part in the definition of an international procedural standard to prevent corrupting events associated with the sport sponsorships, bringing the group our know-how and experience with the controls and safeguards that applies to these types of initiative;
- iv. within the scope of the Global Compact Network Italy, Eni participates in the meetings of the Anti-Corruption Working Group on the issues of developing "legality ratings" and "legality protocols";
- v. Eni recently accepted an invitation to appoint a representative to the board of the "World Economic Forum Partnering Against Corruption Initiative (PACI)", an anti-corruption initiative that brings together about 70 companies from around the world. It was established with the aim of raising corporate standards and contributing to a transparent, accountable and ethical business environment.

Finally, under the auspices of the United Nations Office on Drugs and Crime, Eni signed on to an agreement for research on anti-corruption programmes with the International Scientific and Professional Advisory Council of the United Nations Crime Prevention and Criminal Justice Programme (ISPAC). This important international initiative, which encourages co-operation between the public and private sectors on the prevention of corruption, is further evidence of Eni's commitment to the fight against corruption. The collaborative initiative will culminate in the production of a final report setting out an anti-corruption compliance programme that can serve as a reference standard for energy multinationals. As part of this project, a conference on "International Strategies Against Corruption: Public-Private Partnership and Criminal Policies" was held in December 2012, with the participation of representatives of international organizations active in anti-corruption field such as the UNODC and the OECD, Italian institutions and private-sector professionals.

Procedure for Whistleblowing reports (including anonymous complaints) received by Eni SpA and subsidiaries in Italy and abroad

The Board of Statutory Auditors of Eni SpA, in its capacity as the "audit committee" provided for under US legislation in application of the Sarbanes-Oxley Act of 2002, approved internal rules governing the receipt (with the creation of easily accessible information channels publicized through the Company's website), analysis and processing of reports, including those transmitted in confidential or anonymous form, concerning internal control and risk management issues, financial reporting, the Company's administrative liability, fraud or other matters (so-called "Whistleblowing reports"). The reports governed by the rules may be submitted by anyone, including third parties (i.e. external persons with some form of relationship with Eni such as business partners, customers, suppliers, the Eni Audit Firm, consultants, associates and, in general, all other stakeholders) and employees. The complaints may regard: (i) non-compliance with external laws and regulations or internal Eni regulations, include allegations of fraud involving corporate assets or financial reporting, as well as events that could, in theory, give rise to administrative liability for the Company pursuant to Legislative Decree 231/2001; (ii) the violation of rules and principles set out in the Code of Ethics.

Eni carries out all appropriate checks of the facts reported, investigating the reports as quickly as possible while ensuring completeness and accuracy. The Internal Audit Department manages the process for the Eni Group, while reports involving listed subsidiaries are managed independently by the Internal Audit unit and control bodies of the listed subsidiary involved. In addition, the Internal Audit Department also reports on its investigations and provides periodic reporting to the Chairman of the Board of Directors, the CEO, the Board of Statutory Auditors, the Audit Firm and the Eni Anti-Corruption Legal Support Unit, as well as to the top management and control bodies of the Eni subsidiaries for reports involving them, with the exception of listed subsidiaries, in line with the Eni regulations governing this area. The Eni Board of Statutory

Auditors also assesses whether to forward reported incidents that could have a more significant impact on the internal control and risk management system to the Control and Risk Committee. For listed subsidiaries, information flows and reporting are handled by their own Internal Audit units.

Judicial Events Presidium

The “Judicial Events Presidium” regulations were updated in November 2012. This instrument governs the process of report to the top management of Eni SpA, its corporate and control bodies of Eni SpA with regard to the existence of significant legal proceedings Eni SpA or its subsidiaries.

The regulations were revised with a view to ensuring the continuous improvement of the internal control and risk management system in order to ensure consistency of the action of Eni SpA and its subsidiaries in response to significant legal events.

The main changes involved improved governance of reporting flows and the roles of the functions involved in the process, as well as the grounds and procedures for the exercise of management and coordination functions by Eni SpA in the event of significant legal events reported by listed subsidiaries or entities subject to unbundling regulations.

Management System Guideline “Transactions involving the interests of Directors and Statutory Auditors and transactions with related parties”¹³⁷

In compliance with the Consob Regulation on related-party transactions, on November 18, 2010¹³⁸, the Board of Directors approved the MSG “Transactions involving the interests of Directors and Statutory Auditors and transactions with related parties”¹³⁹, which has been applied since January 1, 2011¹⁴⁰, to ensure transparency and substantive and procedural fairness of the transactions.

During its meeting of January 19, 2012, the Board of Directors conducted the first annual review of the MSG, as required by the latter, rather than the three-year frequency required by Consob. The Board consequently modified the procedure, taking account of the operational issues that had arisen during the first year of application.

The MSG and the subsequent amendments received the unanimous, favourable opinion of the Control and Risk Committee then in office, entirely composed of independent directors under the Corporate Governance Code and in accordance with the Consob Regulation.

At its meeting of January 17, 2013, the Board of Directors, subject to the favourable opinion from the Control and Risk Committee, conducted the second annual review of the MSG and, taking account of the information acquired, felt it was not necessary to amend the MSG further.

The MSG, while largely being based on the definitions and provisions of the Consob Regulation, extends the rules for

transactions carried out directly by Eni to all transactions undertaken by subsidiaries with related parties of Eni SpA, with a view to enhancing safeguards and improving functionality. In addition, the definition of “related party” has been extended and defined in greater detail.

Transactions with related parties are divided into transactions of lesser importance, of greater importance and exempt transactions, with procedural arrangements and transparency requirements that vary based on the type and importance of the transaction.

In general, the independent Directors on the Control and Risk Committee or Compensation Committee (in the case of remuneration issues) play a central role in all significant transactions with related parties. Specifically, for transactions of lesser importance, the procedures require that the relevant committee express a reasoned, non-binding opinion on the Company’s interest in completing the transaction and the economic benefits and substantive fairness of the underlying terms.

Exempt transactions comprise low-value transactions as well as ordinary transactions carried out on standard conditions, intercompany transactions and those regarding remuneration as specified in the MSG.

For transactions of greater importance, without prejudice to the decision-making powers reserved to the Board of Directors, the relevant committee is involved starting from the preparatory phase of the transaction and expresses a binding opinion on the Company’s interest in the completion of the transaction and the economic benefits and substantive fairness of the underlying terms.

With regard to the disclosures to be provided to the public on transactions with related parties, the relevant provisions of the Consob Regulation have been fully incorporated in the MSG. The MSG also sets out the timing, responsibilities and verification tools to be used by Eni employees involved and the reporting requirements that must be complied with for the correct application of the rules.

Finally, consistent with the choice made with the previous system, specific rules have been adopted for transactions in which a Director or a Statutory Auditor holds an interest, whether directly or on behalf of third parties. More specifically, the MSG contains specific monitoring, evaluation and motivation requirements related to the preliminary phase and to the completion of a transaction with a subject of interest to a Director or a Statutory Auditor.

In this regard, both in the preliminary and approval phase, a detailed and documented examination of the reason for the transaction is required, showing the interest of the Company in its completion and the economic benefits and fairness of the underlying terms. In any case, if the transaction is under the responsibility of the Eni Board of Directors, a non-binding opinion from the Control and Risk Committee is required.

[137] The MSG “Transactions involving the interests of Directors and Statutory Auditors and transactions with related parties” is available in the Governance section of the Company’s website at: http://www.eni.com/en_IT/attachments/governance/guidelines-related-parties/MSG_Part%20Correlate_ENG.pdf.

[138] The MSG updates and replaces the previous Company regulations in this area, which had been adopted by the Board of Directors on February 12, 2009.

[139] The procedures take account of the instructions and interpretive guidance set out in the Consob Communication of September 24, 2010.

[140] The disclosure requirements set out in the Consob Regulation entered force as from December 1, 2010.

To ensure an effective system of control over transactions, every two months the CEO must report to the Board of Directors and to the Board of Statutory Auditors on the execution of individual transactions with related parties and subjects of interest to Directors and Statutory Auditors, and prepare a semi-annual aggregate report on all transactions with such parties of interest performed during the reporting period. In order to ensure prompt and effective verification of the implementation of the MSG, an database had been created listing related parties and Eni subjects of interest, together with a search IT application that the signing officers of Eni and the subsidiaries responsible for preparing transactions can use to access the database in order to determine that nature of the transaction counterparty.

Management System Guideline Market Abuse

Handling of corporate information

In compliance with the requirements contained in the Consolidated Law on Financial Intermediation and the Consob Issuers Regulations, on October 29, 2012, the Board of Directors, acting on a proposal from the CEO and upon the prior opinion of with the Control and Risk Committee, approved the new "Management System Guideline Market Abuse" (hereinafter also "MSG Market Abuse"), which consolidates the three previous sets of rules in this field (which were approved by the Board in 2006) into a single instrument with the aim of rationalising and improving the effectiveness of the Company's arrangements to prevent market abuse.

The MSG Market Abuse seeks to raise the awareness of all of Eni's employees of the value of information as a strategic business asset for the protection of the interests of the Company, its shareholders and the market, and the consequences that may result from incorrect management of such information, including by highlighting the penalties that can be imposed for failure to comply with the relevant regulations, notwithstanding further specific disciplinary measures.

In particular, the MSG, in tracing the evolution that information may undergo within Eni, introduces principles of conduct for preserving the confidentiality of corporate information in general, as required by Article 1.C.1 letter j) of the Corporate Governance Code, ensuring that information is used by employees and members of the corporate bodies in accordance with the principles of sound management of information within the context of the duties assigned to them in the pursuit of the company business and in compliance with the principles set out in Eni's Code of Ethics and with corporate security measures. Directors and Statutory Auditors shall ensure the confidentiality of documents and information acquired in the performance of their duties and shall ensure compliance with the MSG Market Abuse.

Internal management of inside information and the register of persons with access to inside information

The MSG establishes the procedure to be adopted in determining whether information should be classified as inside information. Drafted in compliance with the provisions of Article 115-bis of the Consolidated Law on Financial Intermediation and the implementing provisions of the Consob Issuers

Regulation, it defines: (i) the procedures for establishing, keeping and updating the register of persons with access to Eni inside information, including for Eni's subsidiaries; (ii) the methods and deadlines for the entry in and any subsequent cancellation from the register of persons who, due to their work or professional activity or as a result of the functions carried out on behalf of Eni, have access on a regular or occasional basis to inside information; (iii) the procedures for notifying the person involved of their entry in and cancellation from the register, including the associated reasons for the action; and (iv) specific rules of conduct for persons entered in the register. The MSG also specifies the procedures to be used by the subsidiaries in delegating to Eni, pursuant to Article 152-bis, paragraph 4, of the Consob Issuers Regulation, the establishment and updating of their registers, governing the associated communications for the full performance of the associated obligations.

In any case, the MSG provides for special confidentiality rules for inside information for which there are no public disclosure requirements, so that until it is made public (i) persons other than those who need the information for the performance of their duties within Eni do not have access to the information and (ii) that persons with access to such information understand their legal and regulatory duties with respect to such information and the possible penalties to which they could be subject in the event of the abuse or unauthorized dissemination of the inside information.

Market disclosure of documents and inside information

The MSG Market Abuse governs the public disclosure of inside information, specifying: (i) the evaluation criteria for determining which information is subject to disclosure; (ii) the process for issuing press releases with price sensitive information; and (iii) the publication of press releases with price sensitive information required by the regulations and, upon publication, their concomitant publication on the Eni website. In compliance with Article 114 of the Consolidated Law on Financial Intermediation and the implementing provisions of the Consob Issuers Regulations, the procedure establishes the requirements for public disclosure of inside information (transparency, fairness and non-manipulative intent, materiality, clarity, completeness, traceability, consistency, equal access to information, informational symmetry, coherence and timeliness) and the rules for acquiring data and information from subsidiaries that is necessary to provide accurate and timely information to the Board of Directors and to the market on events and circumstances that may give rise to inside information.

In particular, the MSG Market Abuse establishes rules so that, in accordance with applicable regulations: (i) press releases with price sensitive information contain all the information necessary to enable a complete and accurate assessment of the events and circumstances represented, as well as references to and comparisons with the content of previous press releases; (ii) any significant change in inside information subject to disclosure that has already been made public is disseminated without delay in the manner specified by applicable regulations; (iii) the disclosure of inside information subject to disclosure and the

marketing of the company's activities are not combined in a way that could be misleading; and (iv) the disclosure is made in a manner that ensures the greatest possible synchronization of disclosure to all categories of investors in all countries in which the admission of its financial instruments to trading on a regulated market has been requested or approved.

Internal dealing

The MSG Market Abuse streamlines and clarifies the provisions already contained in the previous procedure adopted by Eni governing internal dealing. The procedure, in incorporating the instructions contained in Article 152-sexies of the Consob Issuers Regulation: (i) identifies relevant persons and persons closely associated with them; (ii) defines transactions involving shares issued by Eni SpA, shares of companies with listed shares and other financial instruments linked to those shares; (iii) specifies the obligations for disclosure to Consob and the public of transactions, carried out directly or through nominees, by relevant persons and persons closely associated with them; (iv) establishes rules of conduct for relevant persons (other than the shareholders of Eni) and persons closely associated with them, governing the procedures and deadlines for notifying Eni of transactions, as well as the deadlines for disclosure to the public of such notifications, which are to be made directly or through the Corporate Secretariat of Eni SpA, which also provides for publication of the notification of the transactions on the Internal Dealing section of the website ¹⁴¹.

As already provided for under the previous internal dealing procedure, the MSG Market Abuse includes in addition to the applicable legislative rules blocking periods for transactions carried out by relevant persons.

The procedure is published in the Governance section of the Eni website ¹⁴².

Audit Firm ¹⁴³

The auditing of Eni SpA financial statements is entrusted, pursuant to law, to an Audit Firm entered in the Consob special register and appointed by the Shareholders' Meeting, acting on a reasoned proposal of the Board of Statutory Auditors. In addition to the obligations set forth in national audit regulations, Eni's listing on the New York Stock Exchange requires that the Audit Firm issue a report on the Annual Report on Form 20-F, in compliance with the auditing principles generally accepted in the United States, as well as an assessment of the effectiveness of the internal control system applied to financial reporting, which oversees the preparation of the consolidated financial statements. For the most part, the financial statements of the subsidiaries

are audited by Eni's Audit Firm. In addition, for the purpose of issuing an assessment on the consolidated financial statements, Eni's Audit Firm assumes responsibility for the auditing activities performed by other Audit Firms regarding the financial statements of subsidiaries that, taken together, account for an immaterial share of consolidated assets and revenues.

The current Audit Firm is Reconta Ernst & Young SpA, whose engagement was approved by the Shareholders' Meeting of April 29, 2010, for the financial years 2010-2018, pursuant to Legislative Decree 39/2010.

In carrying out its work, the Audit Firm shall have access to the information, data (both documentation and digital information), archives and property of the Company and its subsidiaries.

The "Rules on the auditing of financial statements", approved by the Board of Statutory Auditors and the Board of Directors – after a favourable opinion of the Control and Risk Committee – set out the general principles pertaining to: the granting and revocation of the engagement; relations between the primary auditor of the Group and secondary auditors; the independence of the Audit Firm and causes for incompatibility; responsibilities and reporting obligations of the Audit Firm; and the regulation of reporting to the Company, Consob and the SEC.

In order to preserve the independence of the auditors, a monitoring system for "non-audit" work has been created where, in general, the Audit Firm and its network are not awarded engagements unrelated to the performance of audit activities, except in rare and reasoned circumstances pertaining to activities that are not prohibited by Italian legislation or the Sarbanes-Oxley Act. These engagements are approved by the Board of Directors of the involved company subject to the prior opinion of the Board of Statutory Auditors of that company. They are then authorized by the Board of Statutory Auditors of Eni in cases where such engagements do not fall under those provided for by specific laws or regulations. The Board of Statutory Auditors of Eni is, in any case, periodically informed of the engagements that are awarded to the Audit Firm by the Group companies.

Court of Auditors

The financial management of Eni is subject to the control of the Court of Auditors ("Corte dei Conti") in order to preserve the integrity of the public finances. This work is performed by the Magistrate of the Court of Auditors, Raffaele Squitieri ¹⁴⁴, appointed by the resolution approved on October 28, 2009 of the Presidential Council of the Court of Auditors. The Magistrate of the Court of Auditors attends the meetings of the Board of Directors, the Board of Statutory Auditors and the Control and Risk Committee.

[141] At the address: <http://www.eni.com/en/IT/governance/internal-dealing-and-shareholdings/relevant-persons-transactions.shtml>.

[142] At the address: <http://www.eni.com/en/IT/governance/market-abuse/market-abuse-procedures/market-abuse-procedures.shtml>.

[143] The Audit Firm, having verified the preparation of this Report, has determined that it is consistent, as required by Article 14, paragraph 2, letter e), of Legislative Decree 39/2010 with the information provided pursuant to Article 123-bis, paragraph 1, letters c), d), f), l) and m), and paragraph 2, letter b) of the del Consolidated Law on Financial Intermediation. The audit report is published in full along with the annual financial report.

[144] The alternate Magistrate is Amedeo Federici.

Relations with shareholders and the market

From the very start of the privatisation process and in compliance with its Code of Ethics and Corporate Governance Code, Eni has maintained an open and on-going dialogue with institutional investors, retail shareholders and the market, so as to ensure the dissemination of complete, accurate and timely information on its activities, with the sole exception of confidentially required for the management of certain information.

Disclosures concerning periodic reports, the four-year strategic plan, major events and transactions are disseminated through press releases, meetings and conference calls with institutional investors, financial analysts and the press, and are promptly made available to the general public, including by way of publication on the Company's website.

In particular, presentations by top management to the financial markets concerning the quarterly and annual results and the four-year strategic plan are transmitted live on the Company's website, informing retail shareholders, enabling them to participate in the most significant market events in real time. Recordings of these events, press releases and the associated presentations and transcripts are permanently available on the Company's website. The "Eni in the Stock Markets" pages in the Investor Relations section of Eni's website¹⁴⁵ are constantly updated with information on dividends, share price, share prices of peer companies and the major stock market indices. The website also contains periodic reports, press releases, this Report, the Corporate Governance Code with the governance solutions adopted by Eni and Corporate Governance procedures, the Company's By-laws, announcements to shareholders and bondholders, disclosures and documentation regarding the issues on the agenda of Shareholders' and Bondholders' Meetings, with the associated minutes. The documentation is provided free of charge to anyone who may request it, including through the Company's website¹⁴⁶. Eni is also fully committed to providing the public with all information required by the law and, more generally, information concerning its Corporate Governance system, devoting special attention to maintaining and updating its corporate website.

A section of the website is dedicated to Eni's Corporate Governance, and the governance system is illustrated with a summary interactive graphic¹⁴⁷ as well as with additional detailed pages. The website also provides easy access to considerable other documentation, including this Report, previous reports and the documents referred to in the reports. Once again in 2012, the effectiveness of Eni's communication effort through its corporate website has been recognized by KWD Webranking [previously known as H&H Webranking], the most influential ranking of the quality of corporate web communication by the 100 largest Italian and the 500 largest

European companies, as being one of the best in Italy and Europe, owing to the high level of disclosure with a clear, accessible and transparent presentation style.

In particular, the section dedicated to Corporate Governance received the highest possible score from KWD Webranking for the transparency and completeness of information concerning the Board of Directors, Board committees, the By-laws, the Corporate Governance Report, external controls, remuneration policies and internal dealing.

Moreover, the Company has agreed to respond to the desire – expressed in recent Shareholders' Meetings for greater involvement of our investors.

To this end, without prejudice to the provisions of law and the By-laws, the project dedicated to retail shareholders is continuing, with a view to encouraging the latter's involvement and participation. Indeed, the need for companies not only to respect the rights of shareholders but also to promote their active participation by assisting them in exercising those rights, through understandable and easily accessible information, and by encouraging participation in corporate activities, has been strongly stressed in recent years. The commitment to presenting Eni in a straightforward and intuitive way to shareholders prompted the creation of a section on the Company's website¹⁴⁸ dedicated to direct communication that includes a Shareholders' Guide and an overview of dedicated initiatives. One of these initiatives is a presentation of the Shareholders' Meeting approving the financial statements, with a quick and simple interactive animated video.

Specific Eni units handle relations with institutional investors, shareholders and the media. As provided for in the Corporate Governance Code, relations with institutional investors and financial analysts are managed by the Head of the Investor Relations unit; the relevant information is available on the Eni's website and may also be requested by e-mail at investor.relations@eni.com.

Relations with the media are managed by the Head of External Communication; the relevant information is available on the Eni's website and may also be requested by e-mail at ufficio.stampa@eni.com.

Relations with other shareholders are managed by the Company Secretariat. The relevant information is available on the Eni's website and may also be requested by e-mail at segreteria@societaria.azionisti@eni.com, or by calling the toll-free number 800940924 (from abroad: 80011223456).

Relations with shareholders concerning Corporate Governance issues are managed by the Head of Corporate Governance Rules and System: the relevant information is available on the Eni's website and may also be requested by dedicated e-mail from Eni's website at info.governance@eni.com.

The following tables report the structure of the Board of Directors, the Committees and the Board of Statutory Auditors.

[145] At the address: http://www.eni.com/en_IT/investor-relation/investor_relations.shtml?home_2010_it_tab=navigation_menu.

[146] At the address: http://www.eni.com/en_IT/documentation/documentation.page?type=bil-rap&home_2010_en_tab=header_tools.

[147] At the address: http://www.eni.com/en_IT/governance/governance-model-policies/corporate-governance-overview/corporate-governance-overview.shtml.

[148] At the address: http://www.eni.com/en_IT/governance/shareholder-meeting/governance-shareholders/shareholders-initiatives/initiatives.shtml.

Structure of the Board of Directors and its Committees

(in office since 5 May 2011)

| | Board of Directors | | | | | Control and Risk Committee | | Compensation Committee | | Nomination Committee | | Oil-Gas Energy Committee | |
|--------------------------------------------------------------------------------|--------------------|---------------|----------------------------|--------------|------------------------------------------|----------------------------|-------------------|------------------------|-------------------|----------------------|-------------------|--------------------------|-------------------|
| | executive | non-executive | independent ^(a) | % attendance | No. of other offices held ^(b) | member | % attendance | member | % attendance | member | % attendance | member | % attendance |
| Members | | | | | | | | | | | | | |
| Chairman | | | | | | | | | | | | | |
| Giuseppe Recchi | | X | | 100 | 2 | | 65 ^(c) | | 25 ^(c) | X | 100 | | 83 ^(c) |
| Chief Executive Officer | | | | | | | | | | | | | |
| Paolo Scaroni | X | | | 100 | 3 | | | | | | 83 ^(c) | | |
| Directors | | | | | | | | | | | | | |
| Carlo Cesare Gatto | | X | X | 100 | 1 | X | 100 | X | 100 | | | | |
| Alessandro Lorenzi ^(*) | | X | X | 94 | 1 | X | 100 | | | X | 100 | X | 100 |
| Paolo Marchioni | | X | X | 94 | 0 | X | 95 | | | | | X | 100 |
| Roberto Petri | | X | X | 100 | 0 | | | X | 100 | | | X | 67 |
| Alessandro Profumo ^(*) | | X | X | 94 | 2 | | | X | 100 | X | 83 | X | 100 |
| Mario Resca | | X | X | 94 | 1 | | | X | 100 | X | 100 | X | 50 |
| Francesco Taranto ^(*) | | X | X | 100 | 1 | X | 100 | | | | | X | 100 |
| Number of meetings 2012 | | | 16 | | | 20 | | 4 | | 6 | | 6 | |
| Average duration of meetings | | | 3h | | | 4h 20m | | 2h 05m | | 40m | | 1h 58m | |
| Average participation rate of members | | | 97 | | | 99 | | 100 | | 96 | | 86 | |
| Quorum for submission of slates for appointments: 0.5% of share capital | | | | | | | | | | | | | |

(a) Pursuant to the Consolidated Law on Financial Intermediation and the Corporate Governance Code, which Eni has adopted.

(b) Appointment as a director or statutory auditor in other companies listed on a regulated market, also outside Italy, or in financial companies, banks, insurance companies or large companies.

(c) Not a member of the Committee.

(*) Appointed from slate submitted by non-controlling shareholders.

Board of Statutory Auditors

(in office since 5 May 2011)

| | independent ^(a) | % attendance of meetings of Board of Statutory Auditors | % attendance of meetings of Board of Directors | No. of appointments in listed companies ^(b) | Total No. of appointments ^(c) |
|--------------------------------------------------------------------------------|----------------------------|---------------------------------------------------------|------------------------------------------------|--------------------------------------------------------|------------------------------------------|
| Members | | | | | |
| Chairman | | | | | |
| Ugo Marinelli ^(*) | x | 100 | 100 | 1 | 1 |
| Standing Auditors | | | | | |
| Roberto Ferranti | x | 50 | 50 | 1 | 1 |
| Paolo Fumagalli | x | 96 | 81 | 1 | 9 |
| Renato Righetti | x | 96 | 100 | 2 | 2 |
| Giorgio Silva ^(*) | x | 92 | 87 | 1 | 9 |
| Number of meetings in 2012 | | 24 | 16 | | |
| Average duration of meetings | | 3h 49m | 3h | | |
| Average participation rate of members | | 87 | 84 | | |
| Quorum for submission of slates for appointments: 0.5% of share capital | | | | | |

(a) Pursuant to the Corporate Governance Code, which Eni has adopted.

(b) Including Eni SpA.

(c) Appointments as director or statutory auditor considered relevant pursuant to Article 148 bis of the Consolidated Law on Financial Intermediation. Includes listed companies.

(*) Appointed from slate submitted by non-controlling shareholders.

Other disclosures under the Corporate Governance Code ^[a]

| | Yes | No |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----|
| System of delegated powers and transactions with related parties | | |
| In delegating powers, the Board of Directors has specified: | | |
| a) their limits | X | |
| b) how they are to be exercised | X | |
| c) frequency of reporting | X | |
| The Board of Directors has retained responsibility for examining and approving significant transactions (including transactions with related parties) | X | |
| The Board of Directors has established guidelines and criteria for identifying "significant" transactions | X | |
| The above guidelines and criteria are described in the report | X | |
| The Board of Directors has established specific procedures for examining and approving transactions with related parties | X | |
| The procedures for approving transactions with related parties are described in the report | X | |
| Procedures for the most recent appointment of Directors and Statutory Auditors | | |
| Slates of candidates for directorships were filed at least ten days before the election date | X | |
| The candidates for the office of director provided full information on themselves | X | |
| Candidates for the office of director provided information on their eligibility for independent status | X | |
| Slates of candidates for statutory auditor were filed at least ten days before the election date | X | |
| The candidates for the office of statutory auditor provided full information on themselves | X | |
| Shareholders' Meetings | | |
| The Company has approved rules governing meetings | X | |
| The rules are attached to this report (or this report indicates where they can be obtained/downloaded) | X | |
| Internal control | | |
| The Company has appointed the officers responsible for internal control | X | |
| Those officers do not report to the heads of operating units | X | |
| Unit responsible for internal control (Art. 9.3 of the Code) | Internal Audit | |
| Investor relations | | |
| The Company has appointed an investor relations officer | X | |
| Contact information (address/fax/e-mail) for the investor relations officer and unit: | | |

Eni SpA - Piazza Vanoni, 1 - San Donato Milanese (Milano) 20097 Italia - Tel. +39 02 52051651 - Fax +39 02 52031929 - investor.relations@eni.com

a) Disclosures on the implementation of the Corporate Governance Code prior to the 5 November 2011 edition.

Investor Relations

Piazza Ezio Vanoni, 1 - 20097 San Donato Milanese (Milan)
Tel. +39-0252051651 - Fax +39-0252031929
e-mail: investor.relations@eni.com

**eni spa**

Headquarters: Rome, Piazzale Enrico Mattei, 1
Capital stock as of December 31, 2012: €4,005,358,876 fully paid
Tax identification number: 00484960588
Branches:
San Donato Milanese (Milan) - Via Emilia, 1
San Donato Milanese (Milan) - Piazza Ezio Vanoni, 1

Publications

Financial Statement pursuant to rule 154-ter paragraph 1
of Legislative Decree No. 58/1998
Annual Report
Annual Report on Form 20-F
for the Securities and Exchange Commission
Fact Book (in Italian and English)
Eni in 2012 (in English)
Interim Consolidated Report as of June 30 pursuant
to rule 154-ter paragraph 2 of Legislative Decree No. 58/1998
Corporate Governance Report pursuant to rule 123-bis
of Legislative Decree No. 58/1998 (in Italian and English)
Remuneration Report pursuant to rule 123-ter
of Legislative Decree No. 58/1998 (in Italian and English)

Internet home page: eni.com
Rome office telephone: +39-0659821
Toll-free number: 800940924
e-mail: segreteria@societaria.azionisti@eni.com

ADRs/Depository

BNY Mellon Shareowner Services
PO Box 358516
Pittsburgh, PA 15252-8516
shrrelations@bnymellon.com

Contacts:

- Institutional Investors/Broker Desk:
 - UK: Mark Lewis - Tel. +44 (0) 20 7964 6089;
mark.lewis@bnymellon.com
 - USA: Ravi Davis - Tel. +1 212 815 4245;
ravi.davis@bnymellon.com
 - Hong Kong: Joe Oakenfold - Tel. +852 2840 9717;
joe.oakenfold@bnymellon.com
- Retail Investors:
 - Domestic Toll-free - Tel. 1-866-433-0354
 - International Callers - Tel. +1.201.680.6825

Cover: Inarea - Rome - Italy

Layout and supervision: Korus - Rome - Italy

Printing: Tipografia Facciotti Srl - Rome - Italy

Printed on environment friendly paper: Gardapat 13 Kiara - Cartiere del Garda

eni.com



00141